



Nippon Electric Glass

Integrated Report 2025

Year ended December 31, 2025



Corporate philosophy

At Nippon Electric Glass, our corporate philosophy is a reflection of our founding mission, a statement of our devotion to creating products infused with the very best of human civilization for the betterment of society.

Our corporate philosophy

We strive to build a brighter future for the world by uncovering the unlimited possibilities of glass for more advanced creative manufacturing.

Firmly rooted in the traditions of our founding mission, our corporate philosophy plots a path for our quest for sustainable growth. Thanks to material design, melting, forming, and processing technologies, glass can be infused with different properties for a broad range of functions. We are dedicated to unlocking glass's potential to make life better and more comfortable for people and communities the world over.

GLASS FOR FUTURE

Our vision

The world's leading manufacturer of special glass

Our goal is to become the world's leading manufacturer of special glass, with the best talent, the best technology, and the best creative manufacturing ability. At the same time, we strive to run our company in a way that inspires pride among our workers and enables us to make a genuine contribution to the community. The way we see it, creative manufacturing is achieved through state-of-the-art technological development, the highest quality standards, efficient production, and a steady supply of products, all underpinned by a fundamental dedication to environmental sustainability.

Our values

Customer first	Everything is based on accurate understanding and complete satisfaction of customers' requirements.
Get the job done	We are dedicated to completing every task properly.
Broad minds and open communication	We think beyond existing norms and encourage frank communication among all departments and generations.
High ethical standards	We are bound to act ethically and in good faith in all situations.
Consideration for the environment	We are constantly aware of the need to be considerate of the environment, and strive to reduce our footprint.

Editorial policy

Nippon Electric Glass publishes its Integrated Report to communicate with our stakeholders as part of our ongoing effort to enhance the level of disclosure. The Integrated Report 2025 describes our Company's features and strengths in an easy-to-understand manner and serves as a source of information about the company and our vision for the future. The report also outlines our efforts to enhance our corporate value and deepen our dialogue with all stakeholders as we pursue our objective to be a world-leading manufacturer of special glass.

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 and next scheduled publication

Issued in May 2026. The next issue scheduled for April 2027.

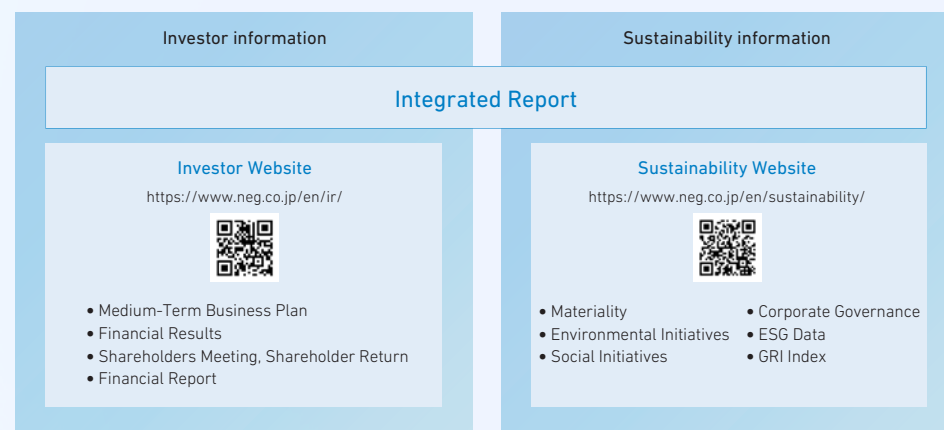
Editorial guidelines

IFRS International Integrated Reporting Framework, GRI Standards, and others.

The GRI Content Index is available at <https://www.neg.co.jp/en/sustainability/>

Caution concerning forward-looking statements

The plans, forecasts, strategies, and other forward-looking statements contained in this report are based on assumptions and judgments considered reasonable by the Group at the time of preparation and are subject to various risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements due to a range of factors.



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Message from the President



Remaining true to ourselves,
embracing challenges
— Harnessing the unlimited possibilities of
glass to drive our next stage of growth

Akira Kishimoto

President and Representative Director

True to our corporate philosophy, steadfast in our resolve

When I became president of Nippon Electric Glass (NEG) in 2023, the Company's performance was under significant strain from the prolonged impact of the COVID-19 pandemic, which had persisted since its onset. These circumstances compelled us to reassess all aspects of the EGP2026 Medium-term Business Plan. The market structures for our businesses were also shifting, driven by rising raw material and fuel costs, global inflation, and deteriorating economic conditions. Although the situation was severe, we responded decisively and put the Company back on a path to growth. Looking back, the Company has faced many turning points in its history, and we have consistently taken the same approach.

The Company was founded in 1949 as a manufacturer of glass tubes for fluorescent lighting and pharmaceutical containers. From this starting point, we expanded our product lineup to include radiation shielding glass, glass-ceramics, glass for electronic devices, and cathode ray tube (CRT) glass, laying the foundation for our position as a special glass manufacturer. We then entered a period of global expansion to meet worldwide demand for CRTs, while laying the groundwork for the rise of

Message from the President

flat-panel displays (FPDs). As our flagship CRT business declined with the technology's obsolescence, we swiftly transformed our business structure to capture growth in the expanding FPD market. Building on that shift, we further diversified our businesses beyond displays by investing in composite materials, medical care, and electronics, establishing them as new pillars and creating a more balanced business portfolio. The constant element at each of these turning points has been our resolve to succeed. I believe that this forward-looking mindset, identifying what needs to be done and seeing it through, defines the core of who we are.

In fiscal 2024, we updated the EGP2028 Medium-term Business Plan to reflect changes in the global economy and market structure and set a clear direction of "STRONG GROWTH." Under this plan, we have steadily reformed the structures of our display and composite businesses, while our semiconductor business continues to expand. We are also advancing new business initiatives in the energy and environmental fields. Guided by our longstanding mindset and corporate philosophy, we will continue to leverage our technologies, human resources, and teams to create new value for society.

What can NEG do?

At the start of fiscal 2026, I asked our executives and employees to reflect anew on what we, as a company, can do. I saw this as an opportunity to reaffirm our purpose and embed it more deeply in our daily activities.

What does NEG give to the world?

I have reflected on the fundamental reason for our existence as a company. We exist to provide solutions centered on glass that enable final products to evolve and improve. We develop high-performance glass materials and application technologies that maximize the value of those products. Glass has unlimited potential. Our purpose is to unlock that potential and serve as an unseen presence in products that advance society. Our corporate philosophy reflects our commitment to this mission.

Guided by this philosophy, we aim to be the world's leading manufacturer of special glass and the company people around the world associate with glass.

Our corporate philosophy

**We strive to build a brighter future for the world
by uncovering the unlimited possibilities of glass
for more advanced creative manufacturing.**

Firmly rooted in the traditions of our founding mission, the NEG corporate philosophy plots a path for our quest for sustainable growth.

Thanks to material design, melting, forming, and processing technologies, glass can be infused with different properties for a broad range of functions.

We are dedicated to unlocking glass's potential to make life better and more comfortable for people and communities the world over.

Slogan

GLASS FOR FUTURE

Where does NEG get its strength?

I believe the single most important element that enables sustainable growth for a company is its people. In fiscal 2023, when I became president, we recorded a significant loss. The structural reforms we undertook, including the closure of overseas sites, were difficult decisions, but we were able to carry them out and rebuild our profit base through the dedication and hard work of every employee. A company must generate profit to survive and grow, and it is the capabilities of its people that create the profit. Whether advancing the technologies that underpin our business, ensuring quality, or overcoming challenges, everything ultimately comes down to people. That is why I believe that people are the foundation of our Company.

Message from the President

What is our future?

All products and technologies, even the very best, have a limited lifespan. While our current offerings are generating profits today, we must continue to create new products that will meet future needs. We are constantly identifying the next areas of growth and the themes that will define our strategic direction. In setting our business strategies, it is essential to begin not with what NEG can do, but with what our future markets will require. Markets change quickly, and resources are finite. Our expansion will be deliberate, with a focus on creating products that meet the needs of the times and stand as true products of civilization.

Semiconductor technology is advancing at an accelerating pace, giving rise to new demands for the functions and properties of glass substrates and glass fibers. The ultra-thin glass we have developed over more than a decade is now beginning to bear fruit, with applications steadily expanding. These growth areas are where I would like to establish new pillars for our future business. As technological requirements become more sophisticated, we will not hesitate to collaborate with partners outside the Group to access capabilities beyond our own and ensure timely progress. Speed and flexibility will be critical, and we will incorporate every viable approach to accelerate development.



What is the key to success for NEG?

Over our long history, we have honed three core capabilities: composition technologies that open up new possibilities, process development and engineering that gives those possibilities form, and technologies that support high-quality manufacturing capabilities. Together, these capabilities are the driving force of our Company. Strong support from all departments will reinforce this foundation and enable us to deliver the special glass that the market needs.

Our strength lies in the collective capabilities of the entire Group. Work is a team effort, never the result

of one person working alone. When individuals come together and align around a common goal, there is little we cannot achieve. The opposite of success is not failure, but inaction. Doing nothing avoids failure, but it also precludes success. I want us to be a company of people who think for themselves about what we should do and who take on challenges without fear of failure.

Even as conditions change, our core remains constant. That core is our resolve. Once we decide to pursue something, we see it through to the end. That spirit lies at the heart of who we are. The key to turning resolve into results is a free and open-minded corporate culture. One person on their own can only achieve so much. That is why we value setting shared goals across all worksites and encouraging the open exchange of ideas across roles and levels. By sharing our diverse expertise and stimulating one another, we create the conditions for breakthroughs. Individuals who take on challenges, supported by teams working in harmony, will enable us to deliver new value to the world.

Looking back on fiscal 2025 and EGP2028 progress

The global economy remained uncertain in fiscal 2025 and market trends were difficult for both our Company and the broader industry to anticipate amid factors including U.S. tariff policies, a slowdown in the Chinese economy, and escalating geopolitical tensions in Central and Eastern Europe. Despite concerns surrounding U.S. tariff policy, demand for display products remained steady throughout the year, likely supported by China's economic stimulus measures. Generative AI and data centers drove strong demand for semiconductors and information and communication products. The composites business faced intense competition, but persistent efforts to improve productivity and optimize product mix at each manufacturing site enabled us to significantly reduce operating losses compared with the previous fiscal year.

We continued pursuing emerging business opportunities and began seeing promising signs in our semiconductor, energy, and environmental domains. In the semiconductor field, we made significant progress toward the mass production of glass substrates for probe cards, as well as in the development of glass core substrates and low-dielectric glass fibers. In the energy field, we expanded applications for ultra-thin glass, including for satellite solar panels, advanced the development of

Message from the President

all-solid-state sodium ion secondary batteries for practical use, and strengthened our engineering business in the environmental field.

Fiscal 2026 marks the midpoint of the EGP2028 Medium-term Business Plan. The plan sets targets for fiscal 2028 of net sales of 400 billion yen, operating profit of 50 billion yen, an operating margin of 12.5%, and return on equity (ROE) of 8%, with the understanding that these are not endpoints, but milestones in our ongoing efforts to enhance corporate value. We will continue to pursue these goals by building on sales and profits while placing greater emphasis on development and investment for future growth.

Basic research and development in the medical and food domains are two of the key areas targeted under EGP2028 as strategic markets. Advances in medical care and longer life expectancies are contributing to global population growth, which in turn is increasing demand for food. At the same time, global warming is destabilizing food production, creating multiple challenges, including the need to develop sustainable food production technologies and reduce food waste for a growing population, as well as to adapt to climate change. I believe that glass has a role to play in addressing these issues. We are examining what the future holds in these areas and exploring potential business opportunities beyond 2028.

Toward creating sustainable corporate value

In fiscal 2025, we reexamined our items of materiality in light of the changes in the external and internal environments since their initial establishment and identified 13 materiality priorities for further advancing our strategies for sustainable growth across the Group. Among these, diversity is one of the areas I place the greatest emphasis on. People are the core driver of corporate growth, and the collective strength of a diverse workforce is the driving force. It is our people who enhance our technologies, ensure quality, and overcome challenges. I believe that developing our people and fostering a positive work environment are essential responsibilities of management. At the same time, people are shaped by their environment. We are committed to cultivating a work environment with a thriving atmosphere, culture, and mindset, and where individuals come together to take on challenges.

Society today is more diverse than ever, encompassing a broader range of values, work styles, and needs. We live in an era where there is no single correct answer, and top-down decision-making alone is increasingly insufficient. It is essential to create an environment where the people closest to the front lines and people with different backgrounds, experiences, and expertise can freely exchange ideas from their own perspectives. I believe we can only overcome new challenges when people across all positions and departments can share their opinions and ideas freely and candidly. At decisive moments, we must unite, align our objectives, increase our speed, and act with resolve to achieve our goals. I believe that is the ideal environment.

We remain committed to advancing our special glass solutions and embracing new challenges with resolve to meet evolving market demands. We will also pursue new value and grow together with all stakeholders. We ask for your continued confidence and support as we pursue our long-term strategic objectives.

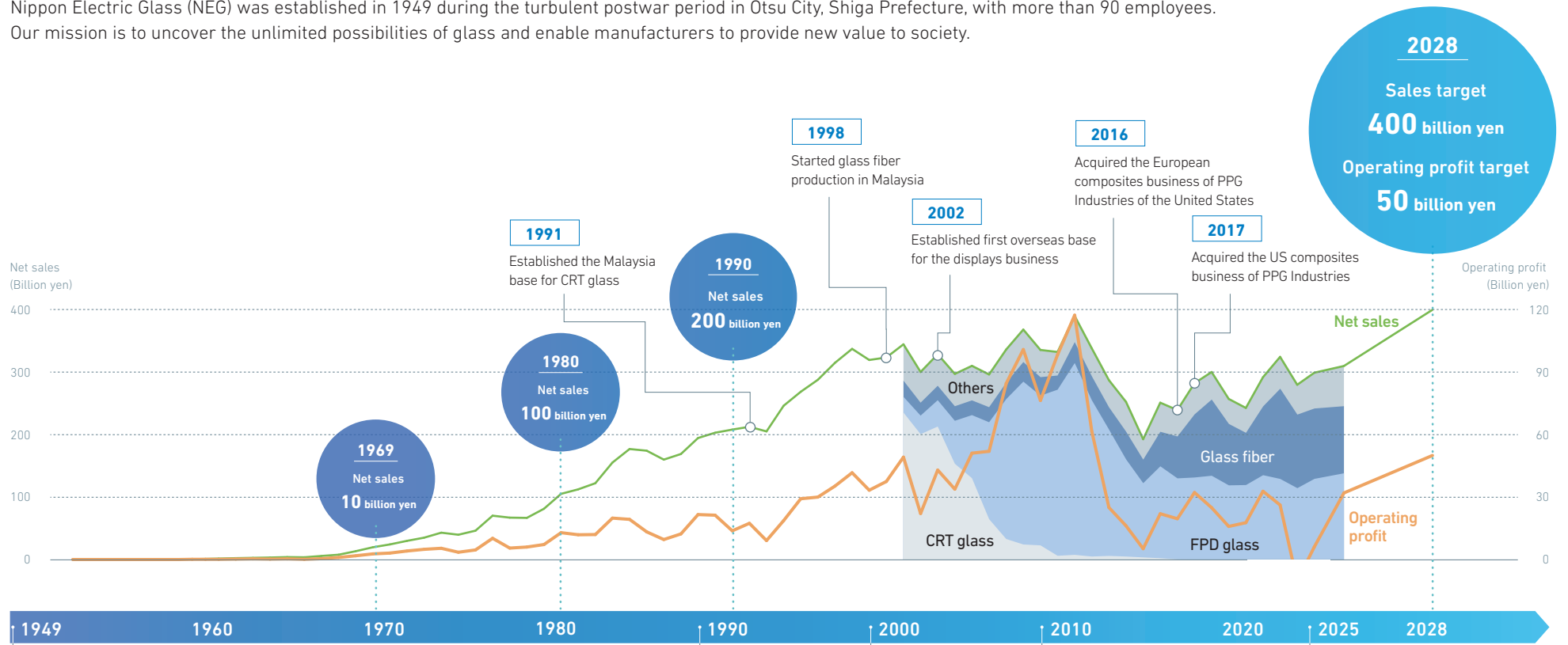


A handwritten signature in black ink that reads "A. Kishimoto". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Akira Kishimoto
President and Representative Director

Our history

Nippon Electric Glass (NEG) was established in 1949 during the turbulent postwar period in Otsu City, Shiga Prefecture, with more than 90 employees. Our mission is to uncover the unlimited possibilities of glass and enable manufacturers to provide new value to society.



Launched several businesses and laid the foundation to be a comprehensive special glass manufacturer

We started out as a manufacturer of hand-blown glass for vacuum tubes for radios, and after succeeding in automatic forming of tube glass, moved on to mass produce products such as glass tubes for fluorescent lighting. In 1965, we enlarged the scale of our business to include producing glass for cathode-ray tubes (CRTs). We also launched businesses for glass-ceramics, glass fiber, and glass for electronic devices.

Promoting global business as overseas markets expand

In the 1990s, we set up a global production and supply system to meet global demand for CRTs, and grew into one of the world's leading CRT glass manufacturers. We launched glass fiber production in Malaysia in 1998. Anticipating a market shift driven by emerging liquid-crystal display (LCD) technologies, we began developing technologies to meet evolving market needs.

The end of the CRTs and dawn of LCDs

To meet the rapid growth of the LCD market, we started producing glass substrates for LCDs using an overflow process in 2000. We continued expanding our overseas production capacity to accelerate our global expansion and produce larger, higher quality substrates to meet demand for increasingly sophisticated LCD technology. We also sought to expand our business domain by advancing the development of new products using the overflow process.

Building a new growth vector and improving the business portfolio

To strengthen our business portfolio, we expanded our production capacity for our composites business in Malaysia, and acquired the European and North American operations of PPG Industries, of the United States. We also took steps to expand our glass tubing for pharmaceutical and medical use. New smartphone cover glass, phosphor-glass composites, and other products were launched, and we also developed unique products, including glass-ribbon and an all-solid-state sodium ion secondary battery.

Preparing for a new growth stage by strengthening existing businesses and expanding strategic businesses

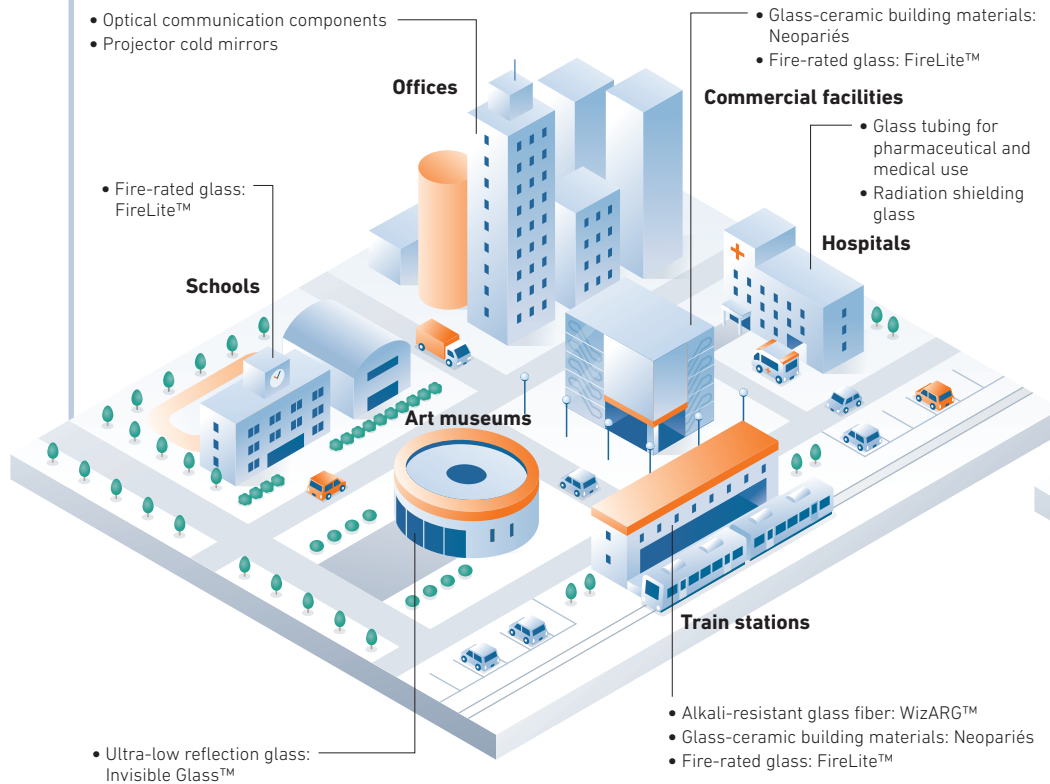
We are reforming our business structure and introducing all-electric melting technology to enhance the competitiveness of the displays business. The rapid spread of generative AI is driving increased demand and sales of related products in the semiconductor, information and communications sectors. We have also initiated efforts to strengthen the foundation needed to drive the next stage of business growth for the engineering and other businesses.

Market and products

Our special glass is found throughout cities, offices, hospitals, and homes, adding brightness, safety, and convenience to everyday lives, while remaining virtually unseen.

Cities

Our products provide wall materials and fireproof glass for city buildings as well as for a multitude of applications in all kinds of facilities.



Worldwide

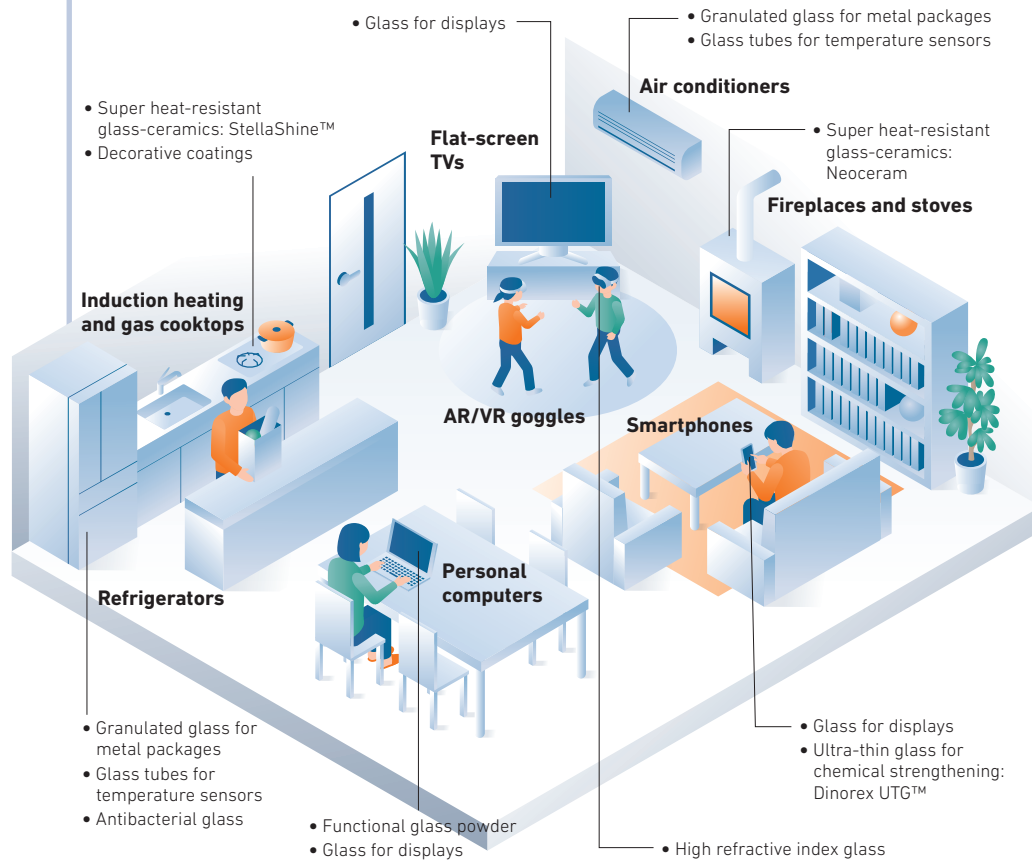
Our glass is improving energy and automobile efficiency and safety as countries around the world work toward achieving carbon neutrality.



Market and products

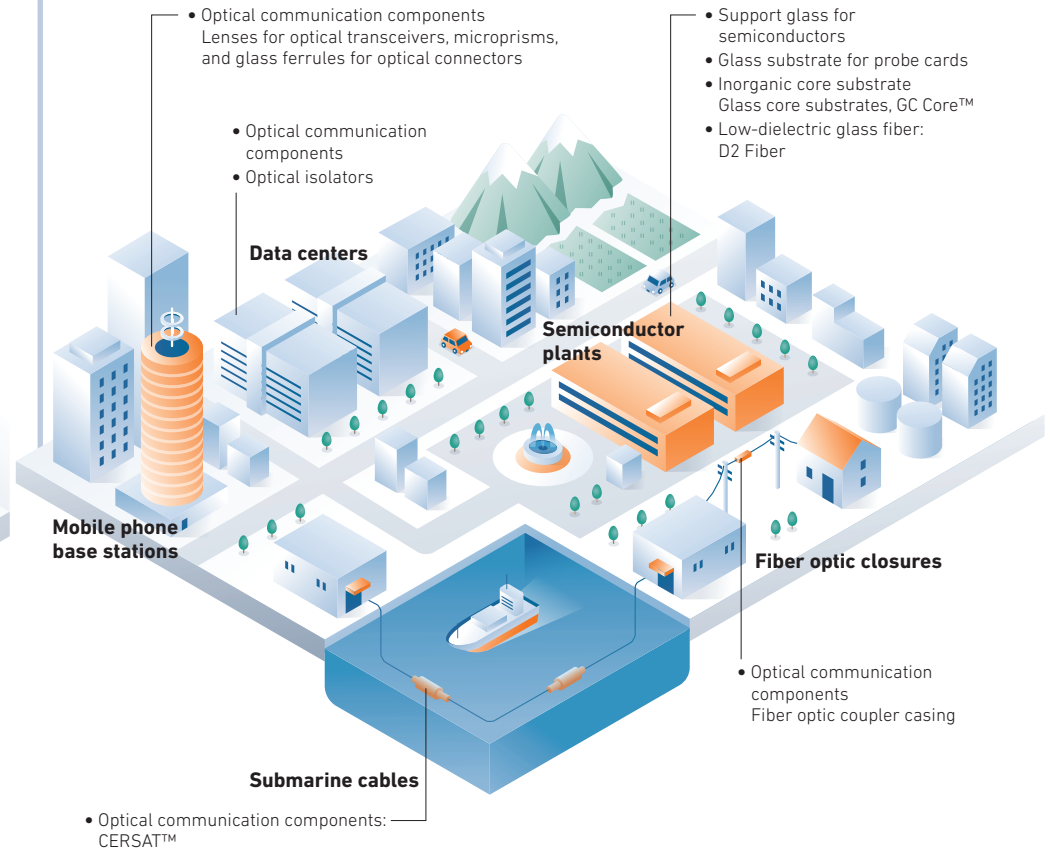
Daily life

Our products support comfortable lifestyles with properties such as high heat resistance, high strength, lightweight design, and environmental resistance.



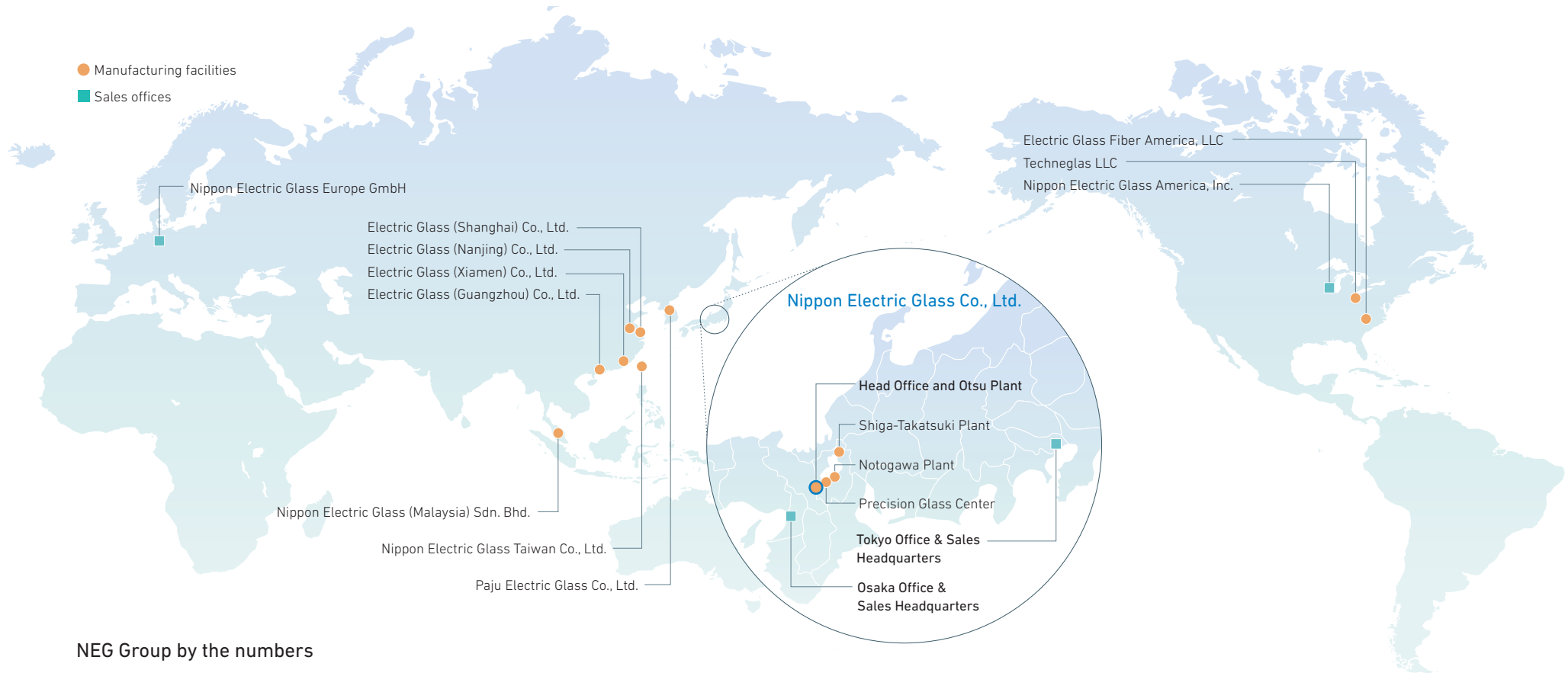
Communications

Glass with optical properties, dimensional accuracy, and durability is essential for ensuring communications stability, reliability, and convenience.



The Nippon Electric Glass global network

NEG's main development and manufacturing base is in Japan, and we also manufacture and market various glass products in Asia, the United States, and Europe. We are a global corporation with 14 group companies overseas, with overseas sales accounting for over 80% of the Group's total sales.



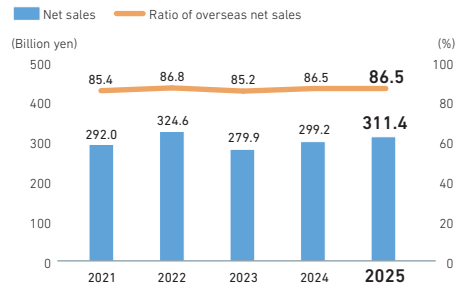
NEG Group by the numbers

<p>Net sales</p> <p>311.4 billion yen</p> <p>(Year ended December 31, 2025)</p>	<p>Operating profit</p> <p>34.1 billion yen</p> <p>(Year ended December 31, 2025)</p>	<p>Total assets</p> <p>701.4 billion yen</p> <p>(Year ended December 31, 2025)</p>	<p>Clients in</p> <p>over 80 countries</p>	<p>Number of employees</p> <p>5,218 consolidated, 1,778 non-consolidated</p> <p>(As of December 31, 2025)</p>
<p>Ratio of overseas net sales</p> <p>87%</p> <p>(Year ended December 31, 2025)</p>	<p>Return on equity</p> <p>6.1%</p> <p>(Year ended December 31, 2025)</p>	<p>Equity ratio</p> <p>70.2%</p> <p>(Year ended December 31, 2025)</p>	<p>Percentage of employees overseas</p> <p>50%</p> <p>(Year ended December 31, 2025)</p>	<p>Group companies</p> <p>9 in Japan, 14 outside Japan</p>

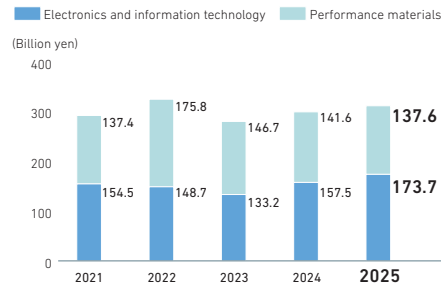
Financial and non-financial highlights

Financial highlights (consolidated)

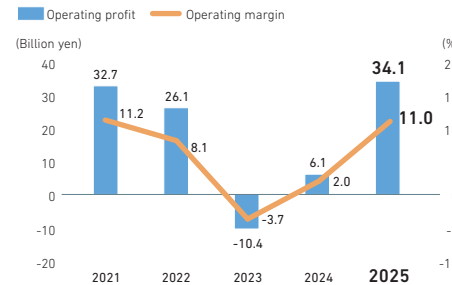
Net sales, ratio of overseas net sales



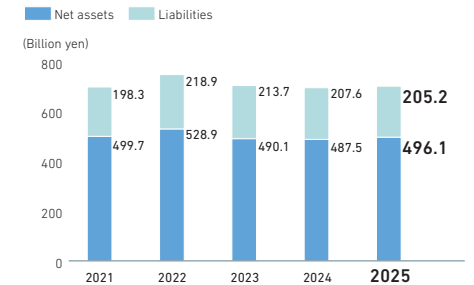
Sales by business segment



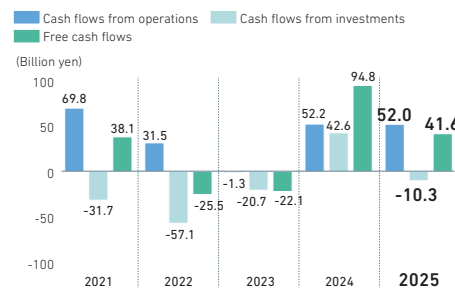
Operating profit, operating profit ratio



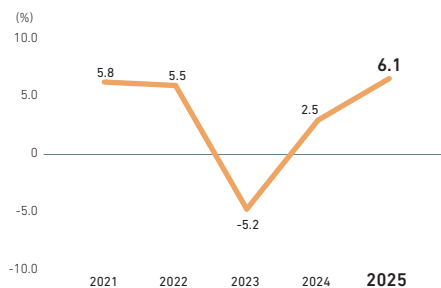
Net assets, liabilities



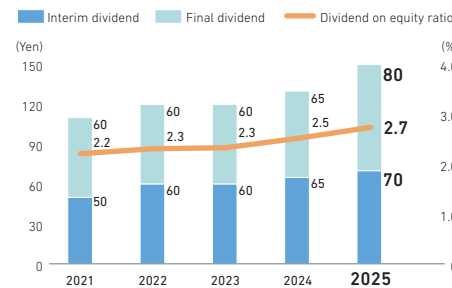
Cash flows



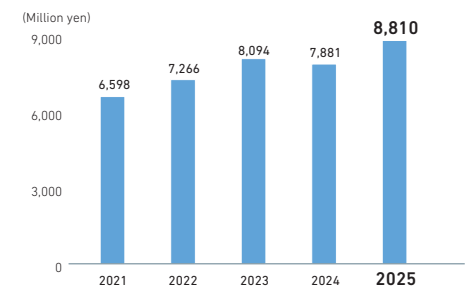
Return on equity



Cash dividends, dividend on equity ratio



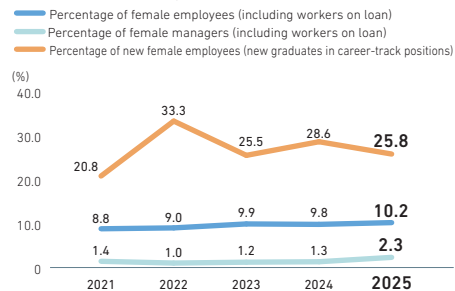
Research and development



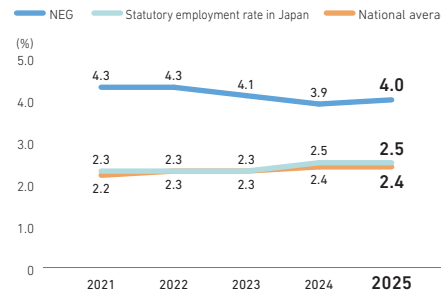
* Dividend on equity ratio = total dividends / shareholders' equity

Non-financial highlights

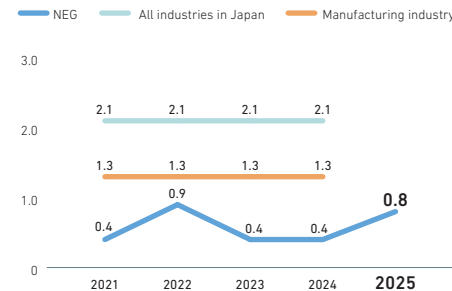
Percentage of women (employees, managers, recruits) (non-consolidated)



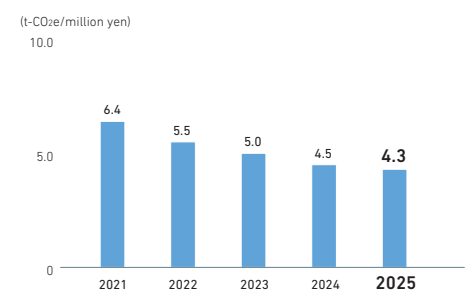
Percentage of employees with disabilities (NEG and consolidated subsidiaries in Japan)



Industrial accident frequency rate (non-consolidated)



CO2 emissions intensity (to consolidated sales)



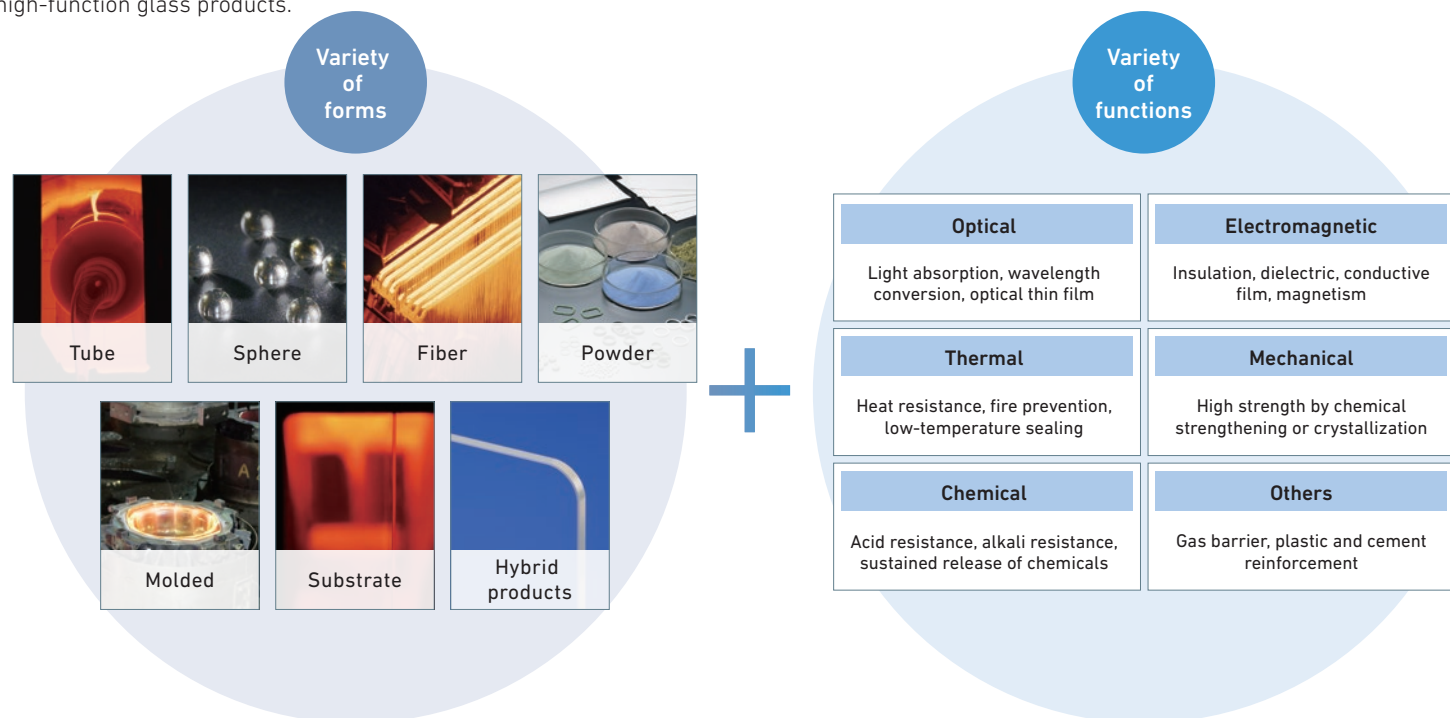
Our strengths

Over the years, we have developed a wide range of glass technologies including material design and evaluation, melting, forming, and processing, and incorporated them into our production facilities, where they are the foundation for the development of new applied technologies. These technologies enable us to create unique, high-function glass products.

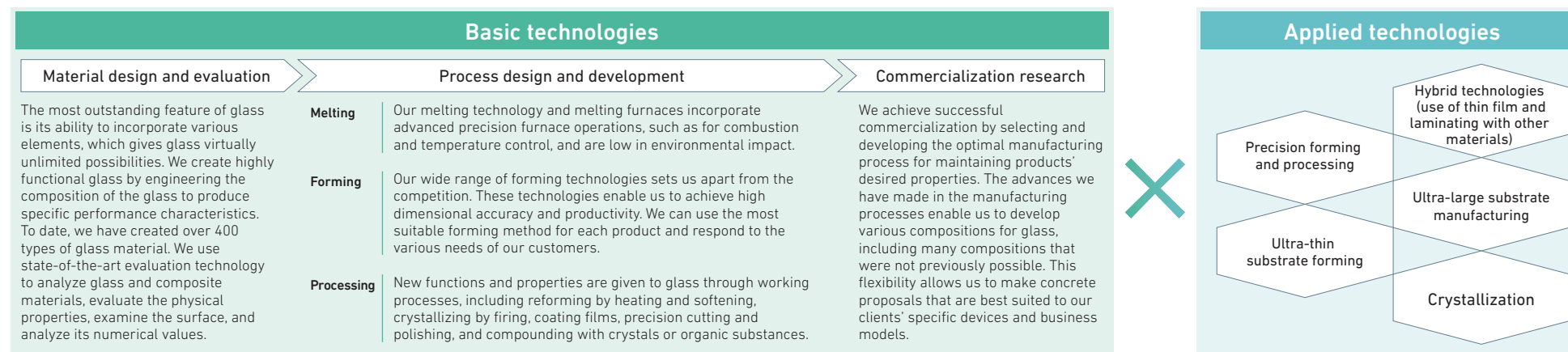
Technologies

Unmatched glass composition and process technologies

Our core glass technologies start with basic research and encompass material design, process engineering, product development, and glass characteristic evaluation. These competencies enable us to produce special glass with various forms and functions with fully integrated processes through to commercialization so we can swiftly deliver glass needed by our customers and society.



Seventy years' experience combining basic and applied technologies

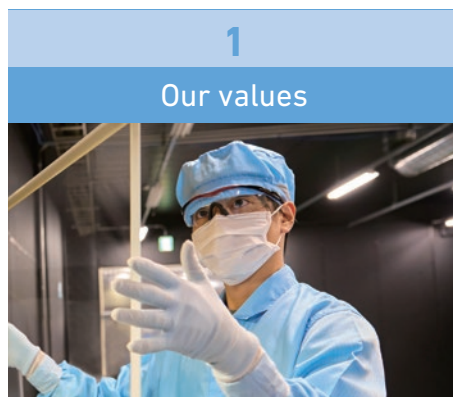
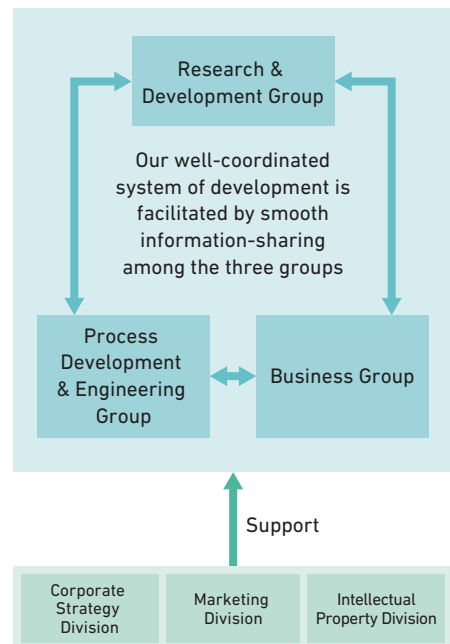


Our strengths

Responsiveness

Three elements for rapidly solving problems

One of the Group's strengths is our three-pronged approach to addressing problems using our inherited values, human resource development programs, and seamless organizational structure. Our frontier spirit of starting by giving anything a try has produced numerous groundbreaking products, which have earned us the trust of customers and high praise from society.



1
Our values

Our inherited values

Since our founding, we have overcome severe competition and turbulent business conditions by being tenacious and maintaining high aspirations. Today, these "key values" serve as guiding principles for all Group employees.



2
Human resource development

Various human resource development programs

We cultivate personnel capable of performing at a world-class level in all areas through a wide range of training programs, such as level-specific training, global human resource training, and skills training. We also provide support for self-development and the acquisition of professional qualifications as well as ensuring our work environments allow everyone to fully demonstrate their abilities.



3
Organizational structure

A seamless organizational structure

We have constructed an integrated development system facilitating the smooth sharing of information between the Research & Development Group, Process Development & Engineering Group, and Business Group, which together form the foundation of our manufacturing activities. With the further support of the Corporate Strategy Division, Marketing Division, and Intellectual Property Division, we seek to "create glass that makes dreams come true."

Highlight

Turning technology into reality

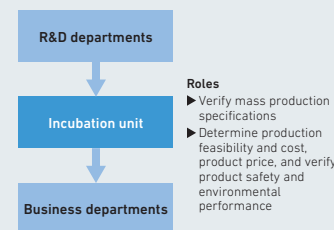
Incubation unit between the R&D and the business departments accelerates commercialization

In January 2025, we created an incubation unit to accelerate bringing new products to market. The unit bridges a functional gap that existed between the R&D department, which concentrates on creating high-quality, innovative materials and products, and our business departments, which focus on mass production, quality, and profits.

The incubation unit's role is to increase the

certainty that new products will reach the market by designing mass production technology and verifying business feasibility while maintaining product quality and functionality. Working at the intersection of the R&D department and the business departments, the unit supports the rapid commercialization and timely market launch of products.

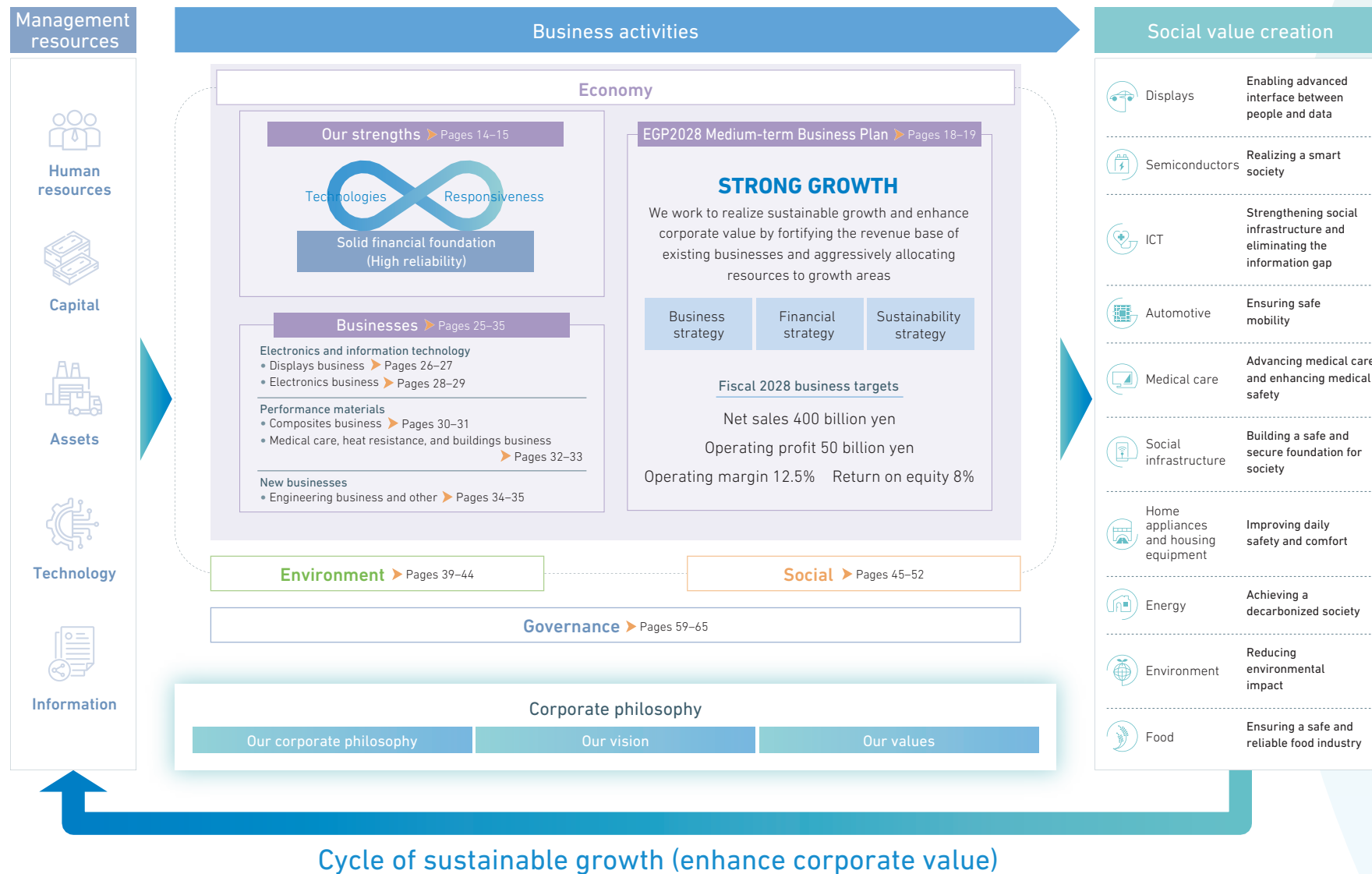
Position of the incubation department



Value creating process

We contribute to society by developing and supplying high-value-added, innovative products.

We will continue our efforts to realize sustainable societies.

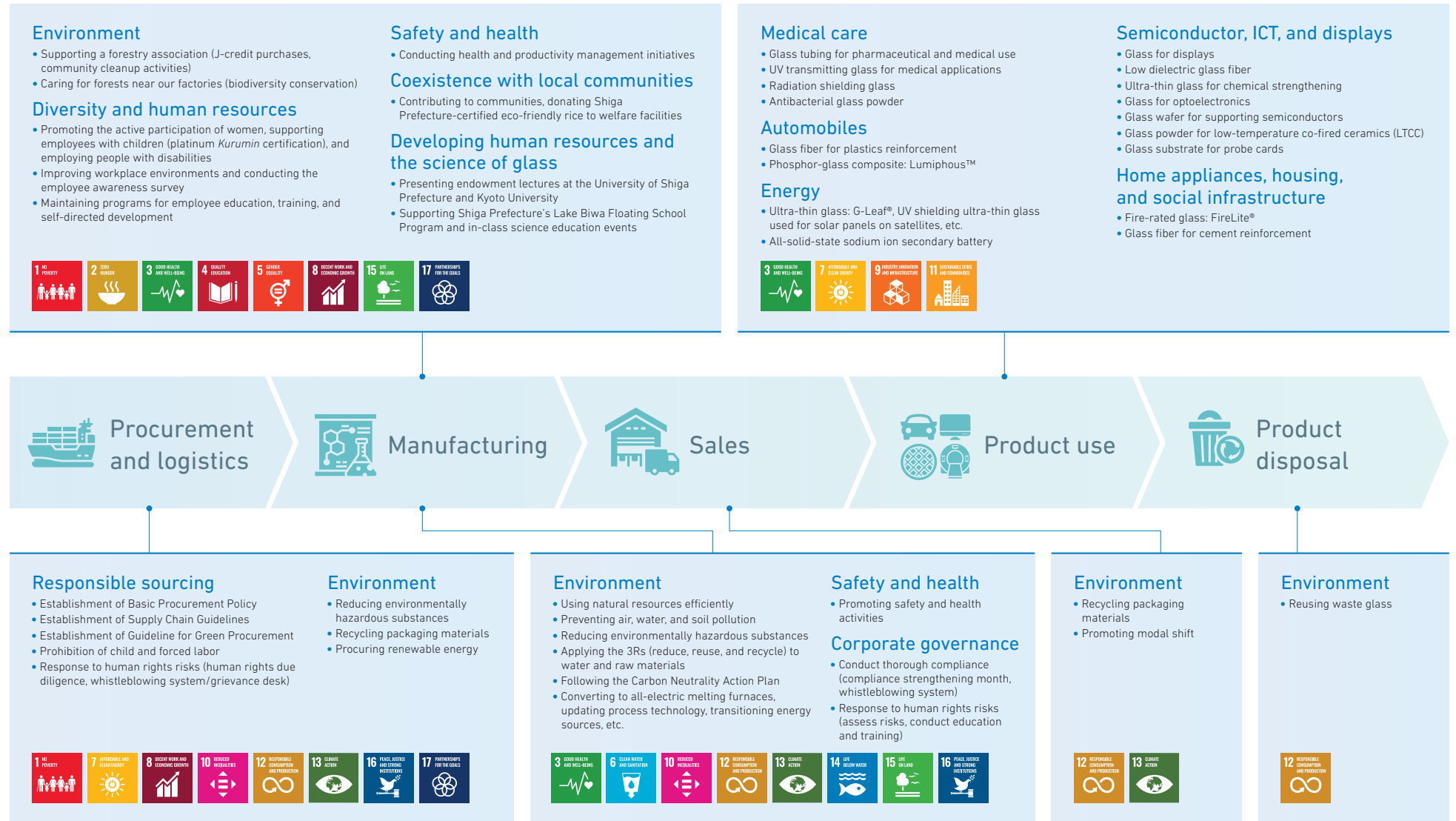


Our vision The world's leading manufacturer of special glass

Value chain

At every stage of our value chain, we strive to maximize the positive impact of our business activities while minimizing negative effects.

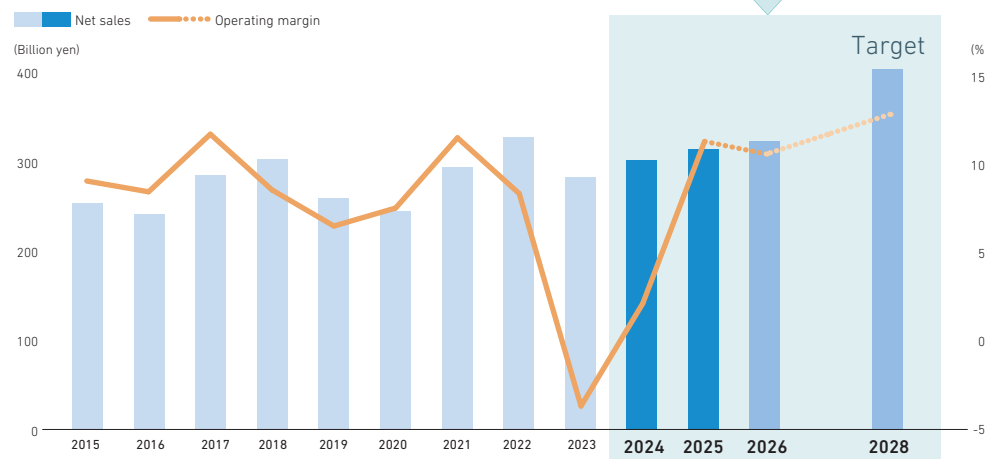
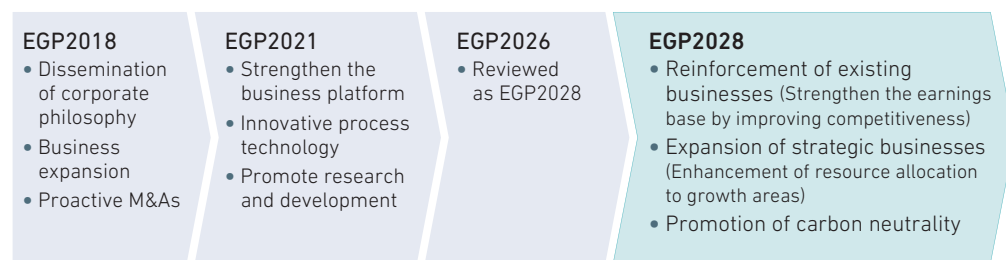
We position sustainability as one of our strategies for achieving sustainable growth and will work together with our stakeholders to further enhance our corporate value.



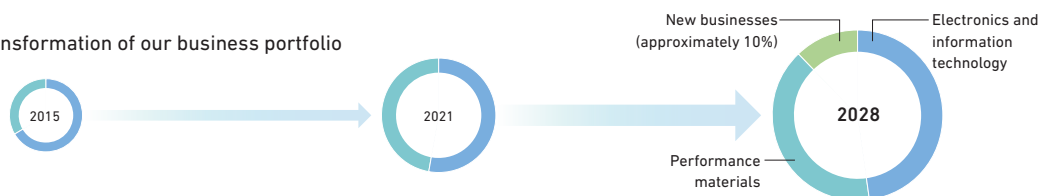
EGP2028 Medium-term Business Plan

The Group introduced medium-term business plans in fiscal 2016 to drive our efforts for achieving sustainable growth and enhancing corporate value. Since the launch of EGP2026 in fiscal 2022, market structures in the Company's display, medical, automotive, and energy fields have changed significantly. In response, we introduced EGP2028 in fiscal 2024 to update our strategies and position the Company for continued business growth and increased corporate value. The plan focuses on strengthening existing businesses, expanding strategic businesses, and advancing our efforts toward carbon neutrality.

Medium-term Business Plans



Transformation of our business portfolio

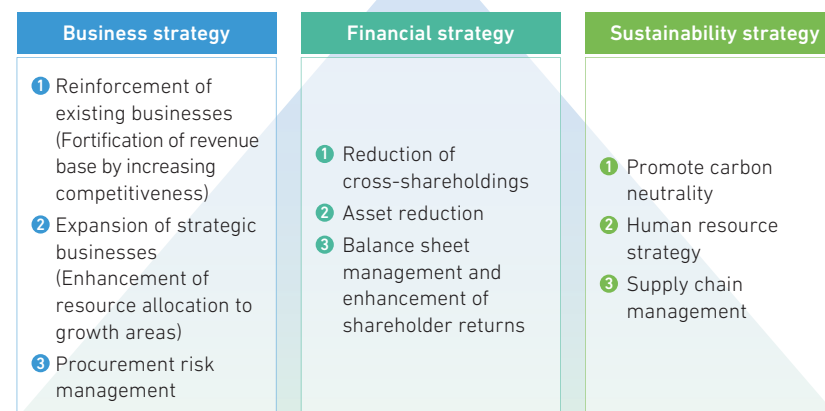


EGP2028 Medium-term Business Plan

Fiscal 2028 targets			
Net sales	Operating profit	Operating margin	Return on equity
400 billion yen	50 billion yen	12.5%	8%
Shareholders' equity			
Approximately 400 billion yen			

STRONG GROWTH

We work to realize sustainable growth and enhance corporate value by fortifying the revenue base of existing businesses and aggressively allocating resources to growth areas



EGP2028 Medium-term Business Plan

Initiatives for the three strategies

Business strategy

1 Reinforcement of existing businesses (Strengthen the earnings base by improving competitiveness)

- Develop high-value-added products and strengthen commercialization.
- Leverage all-electric melting technology to increase productivity and quality.
- Build a strong business foundation.
(Use resources efficiently, advance digital transformation, reorganize the procurement structure, revise operation and manufacturing processes)
- Thoroughly analyze business profitability to determine whether to invest in, downsize, or withdraw from businesses.

2 Expansion of strategic businesses (Enhancement of resource allocation to growth areas)

- Leverage our strengths in special glass and allocate resources aggressively to businesses with promising growth opportunities to expand strategic businesses.
- Expand device businesses that will increase the added value of glass products.
- Bolster research and development resources focusing mainly on the fields of energy, medical care, environment, and food, and collaborate with universities, research institutes, startups, etc.
- Establish a budget for strategic investment (50 billion yen in five years) and actively undertake M&As, strategic alliances, business investments, etc.

3 Procurement risk management

- Respond to procurement risks by diversifying sources, distribution routes, and building strategic partnerships.

Financial strategy

1 Reduction of cross-shareholdings

- In consideration of changes in the business environment, we will evaluate the appropriateness of shareholdings both quantitatively based on cost of capital and qualitatively based on management strategies with the aim of reducing the proportion of cross-shareholdings in consolidated net assets.

2 Asset reduction

- We will dispose of any non-core assets arising in the course of EGP2028, structural reform of businesses, etc., as appropriate in order to increase asset efficiency.

3 Balance sheet management and enhancement of shareholder returns

- We will work to enhance shareholder returns while managing our balance sheet, with due consideration of financial stability and capital efficiency, and securing earnings to support future growth.

Share repurchases

We will carry out share repurchases of 100 billion yen in total during the period from November 2023 to the end of December 2028 (five years).

Continuous dividend expansion: Target DOE* 3%

While maintaining stable dividends as the basic policy, enhance dividends based on performance, financial conditions, growth investment, etc.
(Annual dividend for fiscal 2025: 150 yen, up 20 yen from the previous year)

* Dividend on equity ratio (DOE) = total dividends / consolidated shareholders' equity

Sustainability strategy

1 Promote carbon neutrality

- We will pursue the development of all-electric melting technology and other technologies to contribute to the prevention of global warming while striving to achieve sustainable growth and corporate value enhancement.
 - Electrification of all our processes
 - Investing in and procuring renewable energy
 - Developing technologies for hydrogen energy and other carbon-free energy sources

2 Human resource strategy

- We will expand investment in human resources who are expected to play pivotal roles in management while securing a work environment in which diverse individuals can fully demonstrate their abilities as appropriate in order to increase our competitiveness.
 - Recruiting and training personnel with advanced knowledge and skills
 - Encouraging diversity in our human resources hiring and promotions
 - Creating comfortable and motivating workplaces

3 Supply chain management

- We will promote initiatives to fulfill our social responsibility with regard to the environment, biodiversity, and human rights throughout the supply chain and work to achieve sustained growth and corporate value enhancement.

Message from the CFO



We are aiming to enhance corporate value and achieve sustainable growth in alignment with the values of our diverse stakeholders.

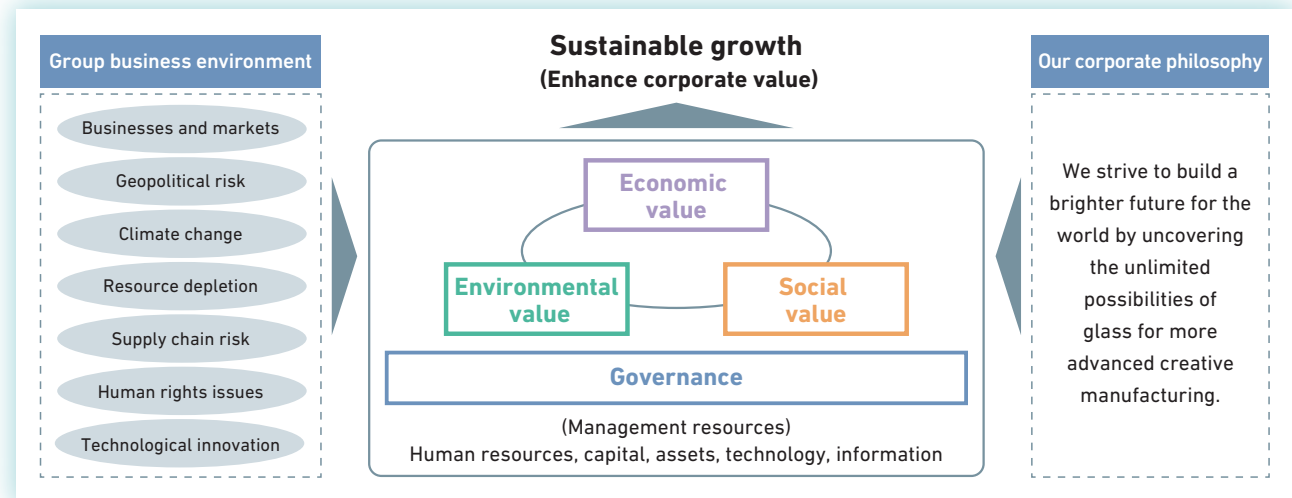
Mamoru Morii
 Director and Senior Vice President
 Chair of the Sustainability Committee

Revising the sustainability structure

In 2025, we held extensive discussions about the meaning of sustainability for our Company. The idea of corporate social responsibility (CSR) has often carried a sense of obligation. Sustainability, by contrast, reflects a commitment to achieving sustained, long-term growth. For a company, this means responding to the values of diverse stakeholders while continually enhancing corporate value in balance with economic, environmental, and social considerations.

With this understanding, we reorganized our CSR Committee, repositioning it as the Sustainability Committee. Rather than focusing on fulfilling obligations, the new committee will lead our efforts to create value. We also reviewed and refined our long-standing materiality items from the perspective of enhancing corporate value. The overall framework was updated, with the three priority categories revised from environment, diversity and inclusion, and community contribution to environment, social, and governance. While the structure has been recast, the substance of our initiatives

NEG sustainability



Message from the CFO

remains largely unchanged. Our materiality items now serve as a blueprint for value creation, guiding the allocation of management resources and strengthening the effectiveness of governance.

The glass industry consumes significant amounts of resources and energy. For this reason, we have long recognized the importance of environmental conservation and have taken early action to transition our energy sources from heavy oil to natural gas and electricity. These efforts have delivered multiple benefits for our manufacturing operations, including reduced environmental impact, improved energy efficiency, higher product quality, and lower costs. We have also continued to advance social initiatives in areas such as diversity and inclusion, human rights, and safety. I believe these changes will be transformational for our Company in that they systematize activities aimed at enhancing corporate value and establish a framework that integrates them with management.

Fiscal 2025 results

In fiscal 2025, the business environment presented both upside and downside surprises.

In the displays business, demand had been expected to decline in the second half of the year, but remained strong throughout. Repairs and capital investments in production facilities also began to deliver tangible contributions to earnings. The electronics business achieved substantial profit growth, driven by strong demand for semiconductors and data centers associated with the rise of generative AI. This led to increased sales of support glass for semiconductors, optoelectronic products, and other high-value-added products.

The composites business continued to face a highly competitive environment. While the business worked to revise its product mix and improve productivity at each facility, changes in the market structure made further reform unavoidable. We closed our Netherlands subsidiary in 2023 and, in fiscal 2025, decided to cease operations at our UK subsidiary. The medical care, heat resistance, and buildings businesses all posted generally flat results for the year.

Several factors affected our operating profit. The primary

driver of the year-on-year increase was improved productivity in the displays business. This was followed by revisions to selling prices in the displays business and sales growth in high-value-added products in the electronics business. While the composites business remained unprofitable, its deficit narrowed significantly.

In non-operating income, foreign exchange gains decreased significantly from the previous fiscal year.

Extraordinary profit included gains from the sale of fixed assets related to the former Fujisawa Plant and other sites in the previous fiscal year, as well as significant impairment losses in the displays and composites businesses. While not on the same scale as fiscal 2025, we continued to steadily dispose of non-core assets and reduce cross-shareholdings in line with the EGP2028 Medium-term Business Plan.

The plan for fiscal 2026

We expect the fiscal 2026 business environment to remain broadly consistent with the second half of fiscal 2025.

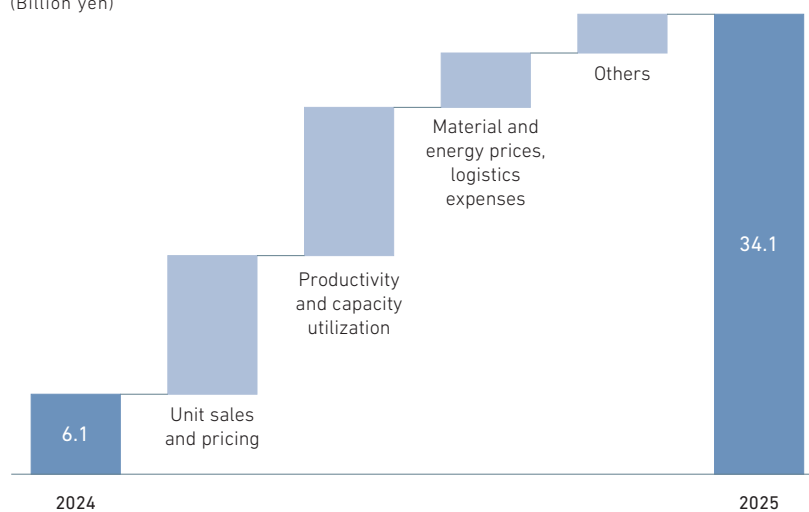
Net sales and operating profit are also expected to be roughly on par with the previous fiscal year, with some variation by product. In the displays business, demand is likely to remain strong, although first-half results may be weighed down by higher costs associated with investment to convert to all-electric melting furnaces and scheduled maintenance of production equipment. These investments are being made to build a stronger earnings base for the future.

We expect demand for support glass for semiconductor applications to soften slightly in fiscal 2026, while the outlook for sustained long-term growth remains unchanged. Demand for glass substrates for probe cards and for optoelectronics products is projected to increase. Mass production of our D2 Fiber, a low-dielectric glass fiber, is scheduled to begin in the fourth quarter of fiscal 2026, and its contribution to earnings during the year is therefore expected to be limited.

During the year, we will advance a range of product development projects, including low-expansion (low-CTE) glass

Analysis of changes in operating profit (compared to fiscal 2024)

(Billion yen)



Main positive factors

- Sales price revision of displays business
- Increase in sales of electronics business
- Improved productivity
- Decrease in depreciation and amortization (including the impact of impairment loss)
- Lower logistics, raw material, and fuel prices

Message from the CFO

fibers. We will also continue developing inorganic core substrates, such as glass core substrates and our GC Core™. Since this involves the entire supply chain, including materials and equipment, additional time will be needed before full commercialization. In addition, we will continue collaborating with customers on the development of all-solid-state sodium ion secondary batteries. These batteries are attracting strong interest due to their high safety, resistance to heat, low risk of toxic gas emissions and suitability for use in vacuum conditions. We have high expectations that they will deliver meaningful breakthroughs for customers.

EGP2028 financial and sustainability strategies

EGP2028 sets clear performance indicators for net sales, operating profit, operating margin, and return on equity (ROE).

The plan targets an operating margin of 12.5% in fiscal 2028, and we have already improved this to 11.0%. We will continue to enhance profitability by strengthening the earnings base of our existing businesses while refining our portfolio to increase the share of high-value-added products. While we do not publicly disclose return on invested capital (ROIC) targets, we monitor this metric for each business. We seek to improve ROIC by maintaining disciplined capital investment while boosting profits over appropriately managed time horizons based on the characteristics of each business. By contrast, while ROE can be improved from multiple angles, we will focus on strengthening earnings and avoid excessive reductions in equity. As a capital-intensive manufacturer, maintaining a sound financial foundation is essential. Earning the trust of a wide range of stakeholders, including customers,

business partners, financial institutions, and local communities, ultimately leads to new revenue opportunities and greater business stability.

Our management approach to delivering shareholder returns is to remain flexible and provide a balance of dividends and share buybacks. The dividend for fiscal 2025 was increased by 20 yen from the previous year, and we plan a further 10 yen increase in fiscal 2026. As of the end of fiscal 2025, we have repurchased a cumulative total of 60 billion yen in shares and are currently executing an additional buyback program of up to 20 billion yen.

Sustainability has become essential to ensuring business continuity, requiring us to address the environment, human rights, and compliance not only within the Group but across the entire supply chain. Reducing risks throughout the supply chain while turning our risk responses into business opportunities is critical. I believe these efforts will support the achievement of the EGP2028 goals, drive sustainable growth over the long term, and further enhance corporate value.

Initiatives to enhance corporate value and improve the price-to-book ratio

$$PBR = ROE \times PER$$

ROE	Expand profits	Strengthening existing businesses, expanding strategic businesses, and managing procurement risks Improving the profitability of the displays business and expanding semiconductor-related products
	Improve asset efficiency	Reducing cross-shareholdings and non-core assets resulting from structural reforms Shareholding ratio of 7.3% (relative to consolidated net assets), structural reforms in the displays and composites business
	Enhancing balance sheet management and shareholder returns	Balance sheet management considering financial stability and capital efficiency, and enhanced shareholder returns Share repurchases (planned total of 100 billion yen), continuous dividend growth (target DOE* of 3%)
PER	Sustainability initiatives	Promoting carbon neutrality, human resource strategy, and supply chain management Restructuring with the Sustainability Committee, corporate value enhancement measures aligned with materiality
	Strengthening corporate governance	Strengthening the management foundation to drive business strategies and sustainability strategies Increase in female outside directors to 29%, increase in the proportion of outside directors to over half
	Enhance information disclosure and reinforce investor relations	Deepening mutual understanding through expanding disclosure and increasing communication Corporate Communication Division established, enhancing engagement (SR meetings, conference participation, exhibit presentations), and expanding press releases

Enhance corporate value and improve the P/B ratio

Toward sustained corporate value growth

Corporate value is shaped by the perceptions of a wide range of stakeholders, including investors, customers, business partners, employees, and local communities. We seek to foster a deeper understanding of the Company by listening carefully to stakeholder expectations and concerns while clearly communicating our perspective. We will continue to steadily implement initiatives to maximize corporate value while maintaining a sound balance of economic, environmental, and social considerations.

Fiscal 2026 will be a pivotal year of preparation, as we continue advancing the initiatives set forth in EGP2028 to further enhance corporate value and achieve our goals.

* Dividend on equity ratio (DOE) = total dividends / shareholders' equity

Research and development, intellectual property strategy

Uncovering the unlimited possibilities of glass

Glass is a unique material that can be customized into different shapes with a wide variety of functions by modifying its composition and changing the forming and processing methods. By combining our accumulated glass technologies with original ideas, we continue to deliver a variety of high-performance glass products matching contemporary needs.

Research and development policy

The Group accelerates product development and commercialization through a fully integrated system of materials, process, and product development. We then leverage the outcomes of these efforts in our business strategies to drive sustainable medium- and long-term growth.

Under the EGP2028 Medium-term Business Plan, our aim is to use research and development (R&D) to drive the creation of future business. To this end, we are expanding our resources, mainly in the fields of energy, medical care, environment, and food.

Research and development organization

The R&D and manufacturing departments work closely together to develop products and processes. Also, in support of R&D activities, the Corporate Strategy Division handles medium- to long-term business strategy planning; the Marketing Division collects and analyzes information about markets, products and technologies, performs product and technology promotion, and disseminates information to secure customers; and the Intellectual Property Division is tasked with the research, rights acquisition, and utilization of intellectual property.

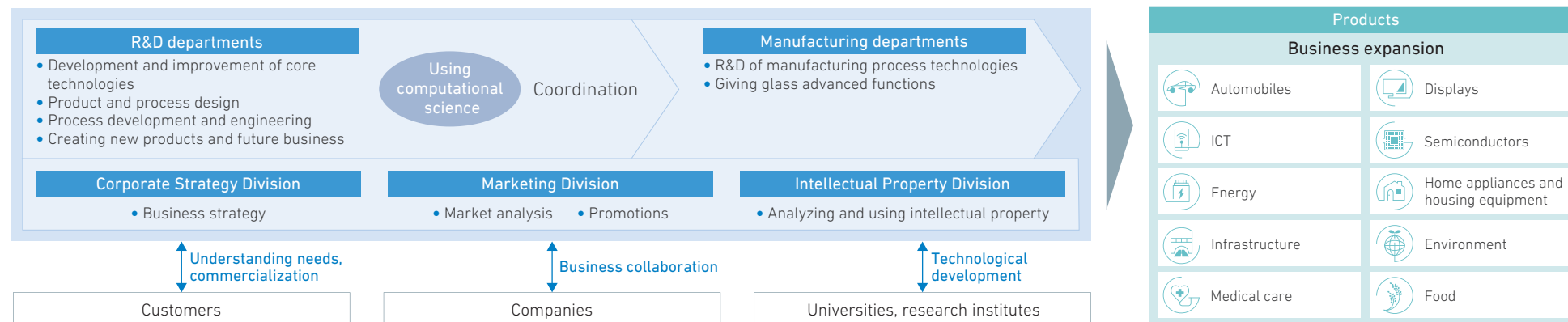
The Fundamental Technology Division, Research & Development Group, and Process Development & Engineering Group collaborate in conducting the Group's R&D. The Fundamental Technology Division engages in glass-related basic research (glass structural analysis, strength, high-temperature melting, and others). The

Research & Development Group and Process Development & Engineering Group design, develop, and evaluate the material and process characteristics based on a scientific approach. These core technologies are used as the foundation for fully capitalizing on the characteristics of glass to develop higher functionality, which is then used to create new products with next-generation glass meeting the longer-term needs of society and industry.

Our manufacturing departments work closely with our R&D departments to come up with products and manufacturing process technologies that will facilitate growth and development in each business segment.

In addition to using computational science (including ICT and AI-driven data analysis) for these R&D activities, we work to strengthen development by pursuing co-creation in partnership with universities, research institutes, and companies in Japan and overseas possessing advanced expertise and technology in specific fields.

Research and development organization chart



Research and development, intellectual property strategy

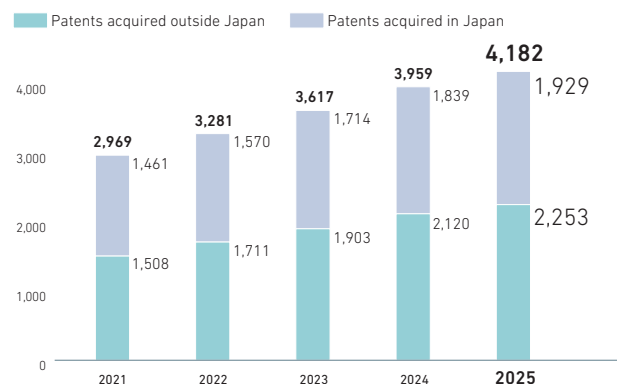
Intellectual property policy

We have established the following basic policy for intellectual property activities, including patent rights, utility model rights, design rights, and trademark rights.

Pursue the appropriate acquisition or protection of intellectual property rights for development results in glass materials, manufacturing methods, and products. Use them to secure business domains and to maintain and strengthen competitiveness in order to differentiate our technology from that of competitors, leveraging this relative superiority for the sake of the company's development.

Our corporate philosophy is to "Strive to build a brighter future for the world by uncovering the unlimited possibilities of glass for more advanced creative manufacturing." To achieve this, we work daily to develop materials and products with new functionality and value, and to engineer the advanced manufacturing processes to produce them. The new technologies we develop are core assets of the Group and must be properly protected.

Number of acquired patents



By actively acquiring intellectual property rights, such as patents with strong restraining force, and by appropriately safeguarding and managing our know-how, we keep other companies from imitating or catching up with us. We also formulate intellectual property strategies for each of our businesses to protect our business domains while maintaining and strengthening our competitiveness.

Intellectual property management system

The head office's Intellectual Property Division is primarily focused on facilitating the activities listed below.

- Conduct research, acquire rights, and utilize intellectual property
- Analyze our own and third-party intellectual property, and provide information to management and business departments
- Educate employees about intellectual property matters
- Provide an employee incentive system for inventions

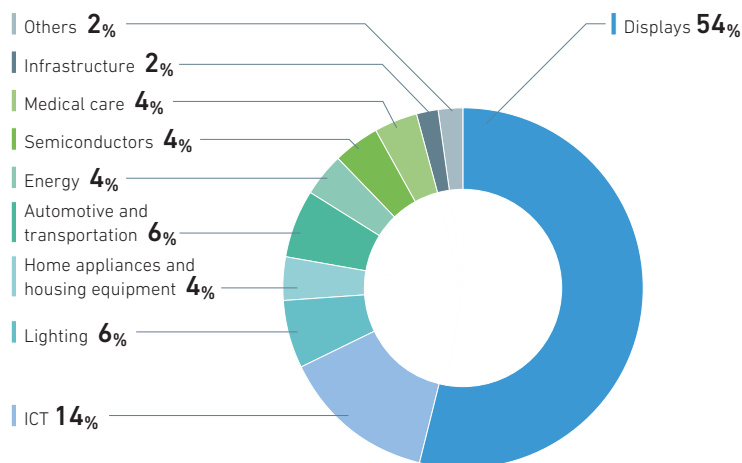
Intellectual property education

We run a variety of training programs, including group training for new employees and patent search and application training for young to mid-level employees, in order to foster an intellectual property-oriented mindset focused on protecting our own intellectual property while respecting the intellectual property of others, thereby facilitating sound development and business activities.

Rewarding employee inventions

We offer incentives to employees for inventions and other proposals with the aim of stimulating acquisition of intellectual property rights, including patents, utility models, and designs. We also have a system to reward inventors in accordance with the degree they contribute to intellectual property rights the company acquires.

Acquired patents by area



Business portfolio

	Electronics and information technology		Performance materials	
Net sales and net sales ratio	Net sales (Billion yen) 		Net sales (Billion yen) 	
Businesses and main products	Displays business Glass substrates <ul style="list-style-type: none"> Glass for LCD displays Glass for OLED displays Ultra-thin glass <ul style="list-style-type: none"> Ultra-thin glass: G-Leaf™ Ultra-thin glass for chemical strengthening: Dinorex UTG™ UV shielding ultra-thin glass 	Electronics business <ul style="list-style-type: none"> Support glass for semiconductors Glass substrate for probe cards LTCC products Functional glass powder Cover glass for image sensors Glass tubes for small electronic components Glass for optoelectronics Phosphor-glass composite: Lumiphous™ 	Composites business <ul style="list-style-type: none"> Chopped strands for functional plastics reinforcement Wet chopped strands for building materials Roving for plastics reinforcement Alkali-resistant glass fiber for cement reinforcement: WizARG™ Low-dielectric glass fiber for electronic materials 	Medical care, heat resistance, and buildings business Medical care <ul style="list-style-type: none"> Glass tubing for pharmaceutical and medical use Radiation-shielding glass: LX Premium Heat resistance <ul style="list-style-type: none"> Super heat-resistant glass-ceramics: Neoceram Super heat-resistant glass-ceramics for cooking appliance top plates: StellaShine™ Building materials <ul style="list-style-type: none"> Fire-rated glass: FireLite™ Glass blocks Glass-ceramic building materials: Neopariés Others <ul style="list-style-type: none"> Glass for lighting Glass engineering
Market	Automobiles Displays Energy	Automobiles Semiconductors ICT Home appliances and housing equipment	Automobiles Infrastructure Semiconductors Home appliances and housing equipment	Infrastructure Home appliances and housing equipment Medical care
Features	Sales percentage: Approximately 80% of electronics and information technology Main customers: Display panel manufacturers Sales regions: China accounts for just over 60%, with the remaining share primarily from South Korea and Taiwan. Large, thin glass produced using the overflow process makes possible beautiful, high-definition images on large displays. Ultra-thin glass applications are expanding to smartphone cover glass, solar panel covers, and speaker diaphragms.	Sales percentage: Approximately 20% of electronics and information technology Main customers: Electronic component manufacturers Sales percentage by market: Semiconductors just under 50%, automobiles just under 30%, ICT approximately 10%, and home appliances and others approximately 20% Sales regions: Japan approximately 30%, overseas approximately 70% (mainly in Asia) A wide variety of glass types with excellent properties and produced via high-precision processing supports the miniaturization of electronic components and ensures their high performance and reliability. We also supply processed products that offer greater ease of use.	Sales percentage: Approximately 80% of performance materials Main customers: Resin manufacturers, compound manufacturers, civil engineering and construction companies, and electronic materials manufacturers Sales percentage by market: Automobiles just over 50%, housing equipment 10%, others (e.g., electronic equipment) 40% Sales regions: Asia accounts for just over 30%, North and South America just over 40%, and Europe just over 20% Sizing agents applied to the surface of the glass fiber firmly bond the resin raw material with the glass fiber and add functions such as strength, rigidity, and heat resistance to expand the scope of use of resin. Sales of low-dielectric glass fiber have commenced, and we are currently developing products for the semiconductor market.	Medical care Medical-grade glass tubing has high chemical durability that preserves the integrity of pharmaceutical substances during transport and storage. We also expect growing demand for radiation shielding glass, driven by advances in medical and radiation equipment and by rising energy demand associated with generative AI, which is increasing demand for applications in the nuclear energy sector. Heat resistance Glass-ceramics with excellent thermal shock resistance enhance the design and functionality of gas and IH cookers. Building materials Glass building materials with a variety of functions, shapes, and colors enable safe and well-designed buildings.

Business strategies

Electronics and information technology

Displays business

Market  Automobiles  Displays  Energy



Takuo Horiuchi

Senior Vice Presidents
Group General Manager,
Display Glass Group

Strategies

- Horizontally deploy all-electric melting technology to improve productivity and lower environmental impact
- Increase production and sales, focusing on 10.5-generation size glass, and expand market share
- Increase sales of high-heat-resistant, low-thermal-contraction glass substrates
- Advance development by using overflow forming technology to create new ultra-thin glass and other non-display applications
- Develop business for fluorine-free film and other thin-film technologies

Opportunities

- Increasing demand for display equipment due to increased unit sales and growing demand for larger screen sizes
- Increased competitiveness through the development of our own innovative manufacturing processes

Risks

- Rapid changes in the display market
- Tighter CO₂ emissions regulations and reputational risk

Our strengths

• Innovative all-electric melting technology

All-electric melting technology is an innovative manufacturing process that improves productivity, reduces energy consumption, and lowers CO₂ emissions. We are rolling out this technology across our facilities in Japan and China to strengthen both quality and cost competitiveness, and take another significant step toward achieving carbon neutrality.

• Overflow forming technology enabling larger and thinner glass substrates

With the overflow forming technology, we can produce thin and large flat glass sheets of high surface quality without the need for surface polishing, since this manufacturing method avoids contact with both sides of the glass substrate. Currently, we have mass production technology capable of producing glass substrates up to 10.5-generation size (approximately 3,000 × 3,300 mm). Using overflow forming technology, we mass produce ultra-thin glass

with a thickness of 0.2 mm (200 μm) or less. Our manufacturing technology for Dinorex UTG™, the world's thinnest glass for chemical strengthening with a thickness of 0.025 mm (25 μm), has been well-received by customers.

• Structured for quick execution and technological advancement

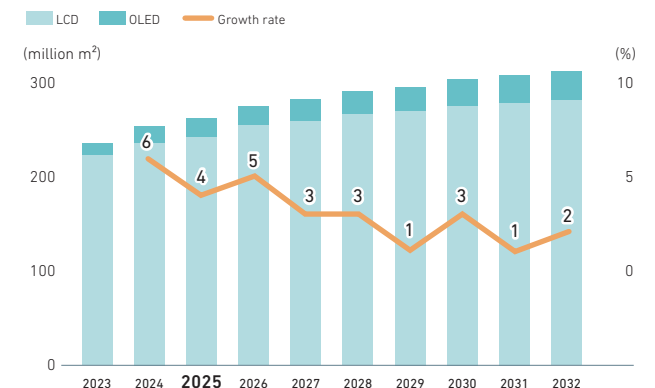
We maintain an organizational structure with a global operations headquarters in Japan and a regional sales and quality headquarters in our key market of China to enable rapid decision-making and accelerate technology development

Business environment

In fiscal 2025, television unit sales remained flat with the previous fiscal year but the trend of increasing display sizes helped boost glass sales by roughly 4%. Demand in the Chinese market was strong, driven by government subsidy policies. The North American market also remained robust despite concerns about the potential impact of U.S. tariff policies. We expect the display

market to continue growing at a moderate pace, supported by the trend toward larger screens for TVs, monitors, and other displays, as well as increasing sizes and volumes for notebook computers, smartphones, and automotive displays.

Outlook for increasing demand for larger display screens



Source: Based on Omdia data

Business strategies

Electronics and information technology

Displays business

Review of fiscal 2025

Strong demand and higher unit prices supported continued solid sales growth in fiscal 2025. At the same time, profits were bolstered by significantly lower manufacturing costs, resulting largely from improved productivity over the previous fiscal year.

We continued broadening the applications for our ultra-thin glass. Several major foldable smartphone manufacturers, including Xiaomi, Honor, and Motorola, have adopted our Dinorex UTG™ ultra-thin glass for chemical strengthening. Our ultra-thin glass is also being increasingly adopted for solar panels on satellites, which are attracting attention as a potential new means of providing internet connectivity. Ultra-thin glass with high UV shielding performance plays an important role in protecting these solar panels from intense solar UV radiation.

Our speaker diaphragms have also been highly praised for their acoustic properties and are gaining wider adoption.

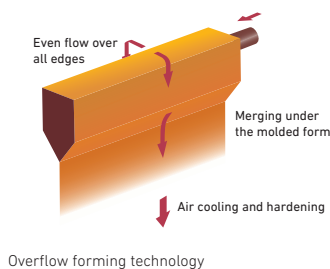
We are also conducting research into applications for our advanced glass technologies in perovskite solar cells. The unique properties of our ultra-thin glass offer significant potential, and we are actively exploring new materials and a wide range of applications.

Initiatives to fulfill the EGP2028 Medium-term Business Plan

The displays business is the Group's primary and largest current operation. We will strengthen our relationships with major panel manufacturers and expand our market share in China, which accounts for roughly 70% of global display glass substrate production.

We will also step up development of non-display products that use our core overflow forming technology.

In thin films, our efforts to achieve the EGP2028 targets are being driven by initiatives



aimed at accelerating the commercialization of fluorine-free water- and oil-repellent films that comply with PFAS regulations.

Focus Ultra-thin glass applications

Foldable smartphones

Chemically strengthened Dinorex UTG™ cover glass for foldable smartphone displays can withstand bending to a diameter of 3 mm without cracking.



Xiaomi MIX Flip 2

Speaker diaphragms

Diaphragms made with Dinorex UTG™ are thin and lightweight, enabling rapid sound response and the reproduction of subtle nuances. The audio industry is showing strong interest in potential applications of Dinorex UTG™ for its high rigidity and ability to suppress unwanted resonance.



Satellite solar panel glass

Starveil™ glass offers high UV protection and extremely low weight, providing durable protection for satellite solar panels in the harsh conditions of space.



Perovskite solar cells (under development)

Our ultra-thin glass offers high UV shielding and excellent gas barrier properties, protecting devices from degradation caused by water and oxygen and contributing to longer service life.



Business strategies

Electronics and information technology

Electronics business

Market  Automobiles  Semiconductors  ICT  Home appliances and housing equipment



Masahiro Kobayashi

Senior Vice President
Group General Manager,
Electronic Products Group

Strategies

- Grow semiconductor-related product sales (support glass for semiconductors, glass substrates for probe cards)
- Advance product development and accelerate commercialization in growth fields (panel-type support glass for semiconductors, GC Core™, glass core substrates)
- Develop new customers by strengthening marketing mainly in Europe and North America
- Strengthen customer communication and relationship building

Opportunities

- Growing demand for high-performance materials accompanying the medium- to long-term growth in the semiconductor market
- Improving competitiveness in high-value-added markets through advanced technical capabilities and wide-ranging product lineup

Risks

- Decline in demand due to rapid changes in semiconductor markets and technologies
- Difficulty securing specialized talent to keep pace with rapid demand growth

Our strengths

• Advanced product development capabilities

We use advanced material design technologies and abundant process technologies together with a fully integrated structure to carry out all aspects of material, product, and process development and engineering internally. This integrated, in-house approach enables us to rapidly develop and mass-produce products with superior properties ahead of competitors.

This structure allows us to fully leverage our strengths and enhances our competitiveness in the semiconductor market, where manufacturers often require customized product proposals within short timeframes.

• Integrated production and quality assurance systems

We have established a structure that enables us to handle everything from glass melting and forming to precision processing, while incorporating high-value-added functions such as coating and compounding, as well as testing and analysis. This integrated

structure allows us to maintain stable supply capacity and high quality, and has earned the trust of our customers for many years.

Our ability to handle high-mix, low-volume production also allows us to smoothly manage both prototyping and mass production, giving us the flexibility to meet diverse customer needs.

• Strong brand power and high market share

Our technical capabilities cultivated over many years, together with reliable quality, have built strong relationships of trust with our customers. As a result, our products have established strong brand recognition and solid market share in Japan and worldwide.

Business environment

The home appliance and automotive markets saw limited growth in fiscal 2025 due to factors such as global inflation, weak domestic demand in China, and the impact of U.S. tariff policies.

A positive development is the ongoing advances in driver assistance and autonomous driving, which we believe will lead

to growing markets for various types of sensors, including image sensors.

The semiconductor market has been booming amid the rapid rise in demand for data centers accompanying the spread of generative AI. Markets for advanced packaging and high-performance memory such as high bandwidth memory (HBM) have grown significantly, and optical communication technologies are becoming widely used in data centers. Over the medium- to long-term, we expect these markets to expand at a brisk pace of more than 10% annually.

Review of fiscal 2025

In fiscal 2025, overall sales expanded in the semiconductor, home appliance, automotive, and optoelectronics fields. We recorded particularly strong growth in semiconductor support glass, which boosted overall sales in the electronics business.

In addition, strong demand for information and communication technology for data centers and other facilities supported solid sales

Business strategies

Electronics and information technology

Electronics business

of optoelectronic products, such as capillaries for optical fiber connectors and glass polarizers used in optical communication isolators. Sales also increased for cover glass used in image sensors for the home appliance and automotive markets.



Glass polarizers

During the year, we began developing panel-type support glass for semiconductors and continued making progress in addressing challenges related to inorganic core substrates.

Initiatives to fulfill the EGP2028 Medium-term Business Plan

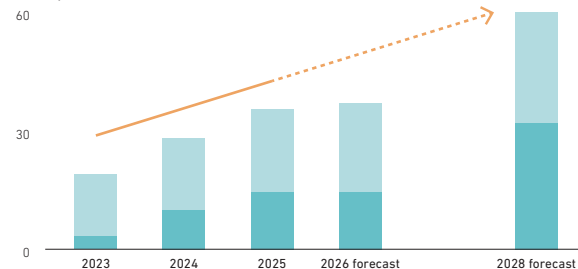
We expect the semiconductor market to experience near-term fluctuations in demand, but overall growth in the medium to long term. We will continue expanding sales of our conventional wafer-type semiconductor support glass while aiming for the early commercialization of panel-type support glass. At the same time, we plan to further enhance the functionality of glass substrates for probe cards and broaden their applications. In addition, we will work with customers and partners to develop inorganic core substrates to accelerate product launches as we continue progressing toward our EGP2028 targets.

Electronics business sales trend

Support glass for semiconductors and glass substrates for probe cards

Others

(Billion yen)



Focus Strategic products

Next-generation semiconductor packages are expected to use inorganic core substrates. Our glass core substrates provide excellent electrical properties, rigidity, and flatness.

Glass-ceramic core substrate: GC Core™

Our GC Core™ glass-ceramic core substrate uses in-house-developed glass-ceramics with superior electrical properties, rigidity, and flatness. The technology accommodates fine wiring, high-density mounting, and CO₂ laser processing, enabling high-speed via formation without the use of chemical solutions. The technology also improves production efficiency and reduces environmental impact.

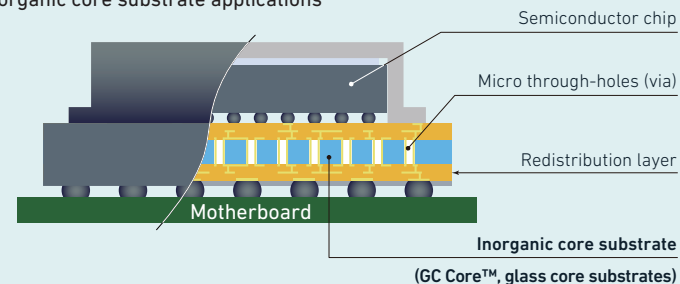


Glass core substrate

Our glass core substrate is produced using our thin glass molding technology. We provide two types of materials to meet client needs: one compatible with CO₂ laser processing and another compatible with laser modification and etching.



Inorganic core substrate applications



Business strategies

Performance materials

Composites business

Market  Automobiles  Infrastructure  Semiconductors  Home appliances and housing equipment



Tomonori Kano
Executive Vice President
Group General Manager,
Glass Fiber Group

Strategies

- Improve competitiveness by increasing equipment efficiency at the Malaysian site and optimizing the production mix at the U.S. site
- Introduce electric melting technology
- Aggressively invest in high-value-added products and grow sales (flat glass fibers, high-performance glass fibers for electronic materials)

Opportunities

- Growing demand for high-performance materials accompanying the medium- to long-term growth in the semiconductor market
- Improved competitiveness by developing manufacturing processes that help attain carbon neutrality

Risks

- Soaring costs for raw materials, energy, and logistics due to global inflation and geopolitical risks
- Intensifying competition due to rapid changes in semiconductor markets and technologies

Our strengths

• Advanced technical capabilities

Our products feature a wide variety of glass compositions, including glass fibers for plastics reinforcement, alkali-resistant glass fibers for construction, and low-dielectric glass fibers for electronic materials. Our advanced process technologies can handle a multitude of shapes, including chopped strands, roving, and yarns. In addition, our core binding agent* technology has earned high praise and trust from our customers for many years.

Our advances in materials design and process technologies enabled the early development of our D2 Fiber, a low-dielectric glass fiber for electronic materials, in fiscal 2025.

* Treatment agents applied to glass fiber surfaces to strengthen bonding between glass fibers and resins.

• Low-emission manufacturing technologies

We have been converting more of our melting processes to electric power sources to reduce our CO₂ emissions. We seek to maintain a low environmental impact and have used all-electric melting technology in the production of some of our products for more than 40 years.

• Advanced recycling technology

Our plants in Japan and Malaysia recycle all waste glass from the production processes. Waste glass is commonly disposed of in landfills, but we have been an industry leader for over 20 years in introducing recycling-based production systems and contributing to the creation of a circular economy.

Business environment

In fiscal 2025, product prices were sluggish due to the economic slowdown in China, which led to an influx of low-priced Chinese products into overseas markets. Demand for high-performance resins for automotive parts surged temporarily in anticipation of U.S. tariff policy, but the market remained generally weak for the year.

Over the longer term, we expect demand for glass fibers to increase as the global shift toward carbon neutrality continues and automakers seek to reduce energy consumption by producing more fuel-efficient and electric vehicles. For our products used in flooring, roofing, and other housing materials, we anticipate ongoing steady demand in Europe and North America.

Business strategies

Performance materials

Composites business

Review of fiscal 2025

In fiscal 2025, the business environment remained highly competitive, resulting in sluggish segment sales, particularly for high-performance resins for automotive parts. In these harsh conditions, we made the difficult decision in June 2025 to close our U.K. plant, which had been experiencing deteriorating earnings. At the same time, we took steps to improve production efficiency at the Malaysian plant and optimized the product lines produced at the U.S. plant. These steps contributed significantly to our sharp year-on-year increase in earnings for the year.

In December 2025, we introduced low-dielectric glass fibers, essential materials for cutting-edge semiconductors used in high-speed, high-capacity communications for AI servers and data centers. During the year, we also continued the structural reform of the composites business.

Initiatives to fulfill the EGP2028 Medium-term Business Plan

We are advancing several initiatives to achieve our EGP2028 targets. Our composite products are a key area of focus as they are used in a wide range of fields, including automobiles, home appliances, construction, and semiconductors, and we expect demand to continue growing over the long term. We will continue working to improve the profitability of existing products while expanding sales of flat glass fibers and glass fibers for electronic materials. At the same time, we are restructuring our businesses and strengthening new product development to drive further growth.

Focus New product and on-site initiatives

Low-dielectric glass fiber: D2 Fiber



Applications:

AI server motherboards, high-frequency communication equipment substrates

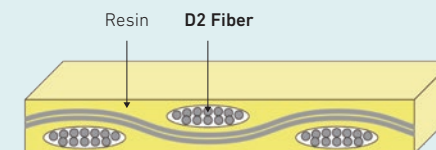
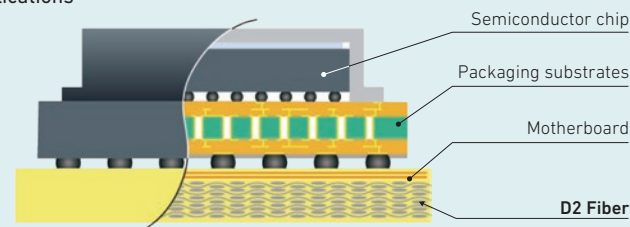
Features:

- Low-dielectric properties ($\tan\delta$): Reduces signal transmission loss, enabling high-speed, high-capacity communications and contributing to improved performance of AI servers and data centers
- Heat reduction and energy saving: Reduces heat generation caused by communication loss, helping lower cooling loads and power consumption

Target start of mass production:

Fourth quarter (October–December) of fiscal 2026

Applications



On-site initiatives

Malaysia:

Improving production efficiency

- Improving production efficiency and reducing energy costs
- Upgrading spinning equipment to increase output per unit of equipment



Japan: Increasing high-value-added product offerings

- Expanding flat glass fiber sales
- Mass producing and enhancing production capacity of D2 Fiber, a low-dielectric glass fiber
- Developing low-expansion glass fibers

US:

Improving competitiveness by optimizing product mix

- Shifting to wet chopped strands for the housing market

Business strategies

Performance materials

Medical care, heat resistance, and buildings business

Market  Infrastructure  Home appliances and housing equipment  Medical care



Masanori Wada

Senior Vice President
Group General Manager,
Consumer Glass Products Group

Strategies

- Introduce all-electric melting technology to establish a high-quality, highly efficient process for producing glass tubing for pharmaceutical and medical use; broaden customer base and develop new customers in overseas markets
- Increase sales of radiation shielding glass
- Expand sales and develop high-value-added products using our proprietary printing technology in heat-resistant glass for top plates, such as StellaShine™ Mono
- Expand sales of FireLite™ fire-rated glass

Opportunities

- The expanding market for medical glass tubing accompanying advances in medical care
- Improving competitiveness from installation of all-electric melting technology

Risks

- Soaring costs for raw materials, energy, and logistics due to a deteriorating global economy and heightened geopolitical risks
- Decline in profitability due to increasing competition

Our strengths

• Glass tubing for pharmaceutical and medical use

The outstanding chemical durability and heat and impact resistance of our medical-grade glass allow it to be used in ampoules, vials, syringes, and various other medical containers.

We offer pharmaceutical glass tubing with world-class quality in chemical durability, homogeneity, and molding accuracy, and have earned strong trust in the pharmaceutical and medical industry in Japan and worldwide. We are the only manufacturer of glass for pharmaceutical containers in Japan and play a vital role in supporting the country's medical industry. Our well-established manufacturing and supply systems, along with our close ties with glass processors, contribute to greater domestic self-sufficiency in pharmaceutical containers.

• Radiation shielding glass

Our radiation shielding glass offers outstanding shielding performance, safety, and reliability, and is used in computed

tomography (CT) and radiation therapy rooms at hospitals as well as at nuclear power facilities. We supply glass in a wide range of sizes, including extra-large panels for industrial applications.

• Glass-ceramics

We offer a wide range of products that utilize the unique properties of glass-ceramics. Known for its superior thermal shock resistance and near zero thermal expansion coefficient, this glass resists cracking even when subjected to rapid heating and cooling. We supply a diverse lineup of products for applications such as cooktop surfaces, stove windows, and fire protection equipment.

Business environment

• Medical care business

We expect advances in medical technology to support long-term demand for our high-quality glass tubes used in syringes and cartridges prefilled with biopharmaceuticals and insulin. Demand for our radiation shielding glass should also grow, supported by

advances in medical and radiation equipment. In addition, the rising demand for energy accompanying the spread of generative AI is expected to drive increased demand for applications in the nuclear energy sector.

• Heat resistance business

We anticipate ongoing steady demand for glass for stove windows, mainly in Europe and North America. Transparent glass-ceramic top plates, one of our core products, are steadily building market share in the European and North American markets for cooking equipment components.

• Buildings business

Our FireLite™ fire-rated glass offers superior fireproofing, heat resistance, and other properties compared with competing wire-reinforced glass and thermally tempered glass. FireLite™ is attracting increasing demand for building projects placing high priority on quality and safety. Business opportunities are expanding in the United States, where FireLite™ is being used not only for its

Business strategies

Performance materials

Medical care, heat resistance, and buildings business

fire-resistant properties, but also by schools and public facilities for security purposes due to its ability to protect against forced entry and physical impact.

Initiatives to fulfill the EGP2028 Medium-term Business Plan

Sales were generally flat compared with the previous fiscal year in the medical care, heat-resistance, and buildings businesses.

• Medical care business

Our Malaysian subsidiary, which mass produces high-grade pharmaceutical glass tubing, converted some of its melting equipment to all-electric melting furnaces and began production using the new energy-efficient furnaces in December 2025. The facility is well positioned to meet anticipated demand growth and support increased sales of prefilled syringes and cartridges.

• Heat resistance business

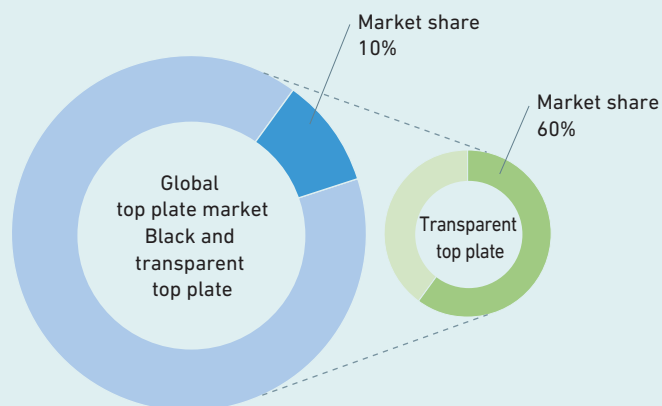
We released the new StellaShine™ Mono top plate for cooking appliances during the year. This transparent glass-ceramic top plate features a special black coating that enables full-color LED and LCD display functions. Offering excellent cost performance, the product is aimed at expanding sales in the European and North American markets, where black glass-ceramic products are mainstream.

• Buildings business

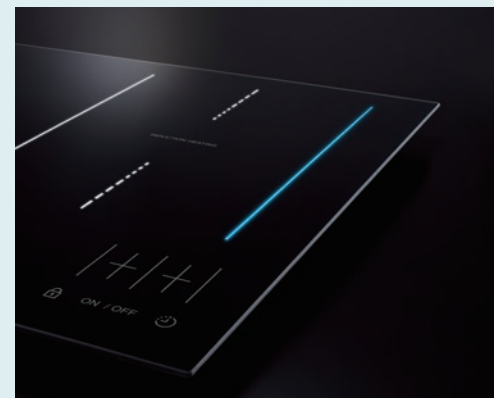
We continue to expand sales and develop new applications for our fire-rated glass.

Focus New products

StellaShine™ Mono entry to the black glass-ceramic market



We currently hold approximately 10% of the overall market for black and transparent top plates, and command roughly 60% of the transparent top plate market.



StellaShine™ Mono features

- Supports full-color LED and LCD display functions
- Superior cost performance

FireLite™ F combines fire resistance with security features

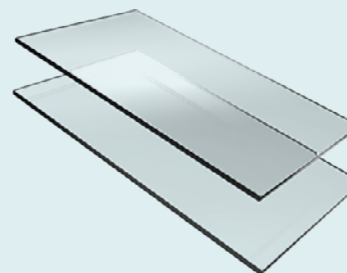
FireLite™ F is a single pane, fire-rated glass product made from heat-resistant glass-ceramic with excellent thermal shock resistance and laminated with anti-shatter or security film.



Fire resistant



Security properties



Business strategies

Special feature

Engineering business

Applying our intellectual property in glass manufacturing to create a carbon-neutral industry



Hitoshi Kanaya
Senior Vice President
Group General Manager,
Process Development &
Engineering Group

The manufacturing sector is responding to growing awareness of environmental issues and the need to achieve carbon neutrality. Our efforts to achieve carbon neutrality in glass manufacturing operations include in-house development of oxygen and hydrogen-oxygen combustion technologies, electric melting technologies, and melting furnace control systems, as well as developing and testing glass melting furnaces that incorporate these technologies.

We believe the technologies we are developing will benefit not only our own operations but also contribute to decarbonizing the entire glass industry. The engineering business applies our extensive portfolio of patents in glass melting to develop and deliver technologies across the industry. The business aims to generate annual sales of 5 billion yen beginning in fiscal 2028 while helping reduce the glass industry's overall environmental impact.

Strengths

- Advanced technical capabilities and expertise in low-carbon glass melting technology developed through many years of experience
- Extensive process knowledge for melting and manufacturing a wide variety of glass materials
- Integrated, one-stop melting technology solutions, from equipment design to control systems

Opportunities

- A large, globally distributed industrial base comprising many glass manufacturers
- Growing demand for new technologies for decarbonization of glass manufacturing processes



Recent NEG solutions

NEG Oxy-fuel combustion technology: NOFC™

High-efficiency combustion technology using only the oxygen required for combustion

NEG Electric melting technology: NEMT™

High-efficiency melting technology using direct electrical heating for molten glass

NEG Furnace control system: NFCST™

Provides optimal melting conditions and control systems for a wide range of glass materials

Highlights | **Exhibit at glasspro INDIA 2025**

Our exhibit at glasspro INDIA 2025 received numerous inquiries regarding electric melting and CO₂ reduction technology. Growing awareness in India of decarbonization and environmental impact is accelerating the adoption of advanced technologies in key industries such as semiconductors, electronics, and electrical equipment. We plan to actively promote our environmental and leading technologies in India and other markets.

Business strategies

Special feature

Thin-film coatings add functionality and value to glass

Fluorine-free coating technology unlocks new value



Europe, North America, and countries around the world have been tightening regulations on per- and poly-fluoroalkyl substances (PFAS) in recent years.

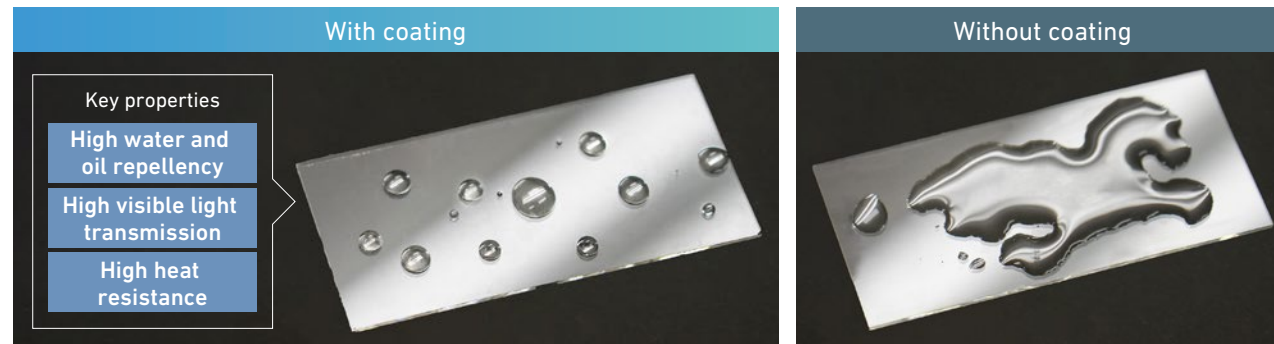
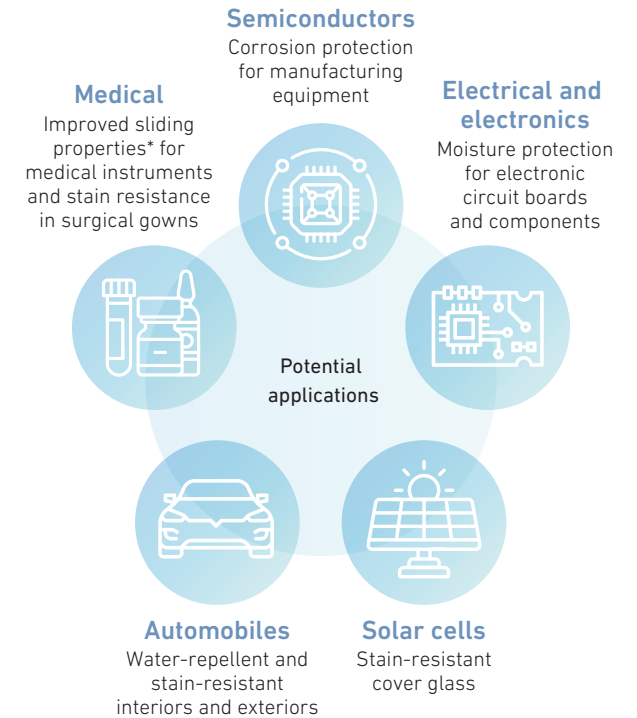
The heat and chemical resistance of PFAS have led to their use in a wide range of applications, including food packaging, semiconductor manufacturing and processing, and firefighting agents. However, concerns have grown about the impact of certain PFAS, such as perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), on human health and ecosystems due to their high environmental persistence.

We used coating technologies cultivated in the display and electronic device fields to develop fluorine-free water- and oil-repellent membranes.

Japan and countries around the world are recognizing PFAS as a major environmental issue, and companies are actively seeking solutions. In fiscal 2024, we developed fluorine-free coatings that deliver excellent water and oil repellency, along with high visible light transmission and heat resistance. Companies in a wide range of industries, including semiconductors, medical equipment electrical

and electronic devices, and automobiles, have shown interest in the technology, and some have already begun mass production.

The market for fluorine-free materials is estimated at about 300 billion yen. 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.



* Damage resistant, smooth, low-friction surfaces

Sustainability

Sustainability is a core element of our strategy to achieve growth in harmony with the environment, society, and the economy, and is essential to building corporate value.

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.

Materiality determination and review

We reviewed our materiality items and related initiatives in light of changes in the business 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

- Step 1 Confirm our corporate objectives**
 Confirm that the corporate philosophy (▶ page 2) serves as the foundation

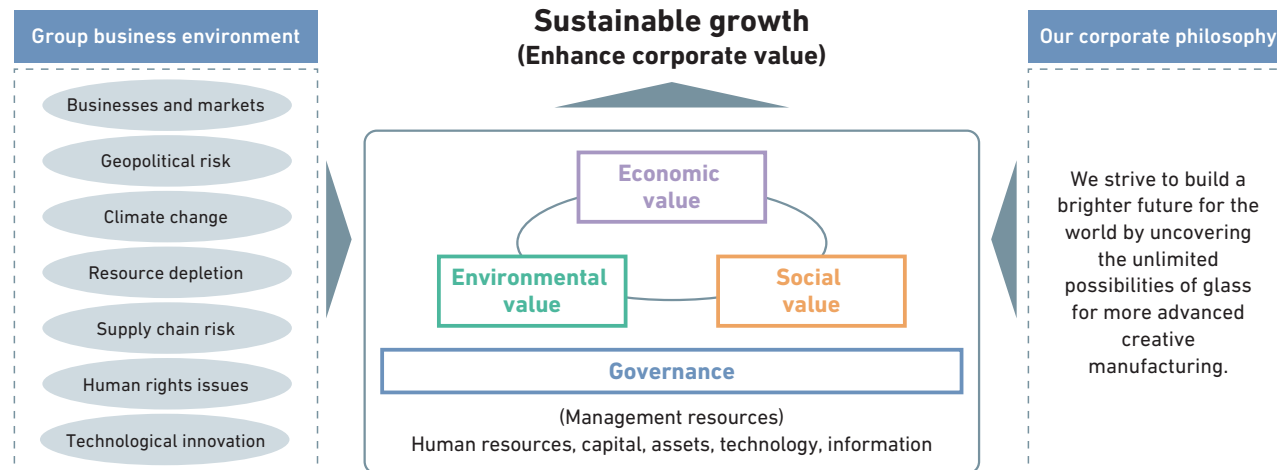
- Step 2 Identify internal and external issues**
Internal issues
 Identify relevant issues through the corporate philosophy, the Group Code of Conduct, the Principles of Activities, the basic CSR policy, risk assessment results, the EGP2028 Medium-term Business Plan, and interviews with each department

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

- Step 3 Evaluate materiality**
 Organize and assess the identified issues, and designate the prioritized items as materiality items

- Step 4 Verify suitability**
 Items are compiled by the CSR Committee and reviewed and approved by the Management Committee and the Board of Directors

Basic approach to sustainability



Sustainability

Materiality and materiality initiatives

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

Environment				
Materiality	Conditions and issues	Initiatives	Indicators	Targets
Addressing climate change	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"> Carbon Neutrality Action Plan (e.g., reducing GHG emissions) 	CO ₂ emissions (Scope 1 plus 2) (consolidated) CO ₂ emissions intensity (Scope 1 plus 2) (consolidated) Note: Production weight ratio	36% decrease in fiscal 2030 (compared to fiscal 2018) 60% decrease in fiscal 2030 (compared to fiscal 2018) Achieve carbon neutrality by fiscal 2050
Using resources efficiently	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"> Reduce natural resource consumption Reduce waste generation 	Landfill waste intensity (domestic, consolidated) Note: Landfill waste generated from normal production activities. Weight-to-sales ratio.	Domestic: maintain at 0.1% or lower Consolidated: reduce to 5.3% or lower (fiscal 2026)
Consideration for the environment	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"> Reduce water usage and protect the environment Participate in forest conservation activities to preserve biodiversity 	Water withdrawal per unit (consolidated) Wastewater discharge per unit (consolidated) Note: Weight-to-sales ratio	7.8 m ³ /t or less (fiscal 2026) 5.3 m ³ /t or less (fiscal 2026)
Social				
Materiality	Conditions and issues	Initiatives	Indicators	Targets
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"> Hire diverse human resources (women, people with disabilities, non-Japanese) Human resources system (evaluation, promotion, salary, benefits) Human rights (prohibition of discrimination and harassment, prohibition of child labor and forced labor, respect for workers' rights) Employee engagement 	Percentage of employees with disabilities (NEG and consolidated subsidiaries in Japan) Percentage of women among new hires (non-consolidated) Percentage of female managers (non-consolidated)	Medium-term: minimum 4.4% (by fiscal 2030) Long-term: minimum 4.6% (by fiscal 2035) Minimum 25% (new graduates in career-track positions) 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"> Training and education (Competence development, self-development, knowledge and skill transfer) 	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"> Occupational health and safety (safety, workplace environment) Health and productivity management (physical and mental health, stress check analysis) 	Occupational injury rate per 1,000 employees (consolidated) Presenteeism loss rate (non-consolidated)	Less than 1.1 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"> Consider the environment and human rights in supply chain procurement 	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 education, welfare, and environmental initiatives.	<ul style="list-style-type: none"> Promoting the potential of glass (in-class presentations, participation in scientific events) Community contribution activities (food donations, cleanups) 	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"> Develop human resources in the sciences (present university lectures) Support glass research at universities and other institutions (endowment lectures) 	Continuously conduct each activity	—

Sustainability

Corporate governance				
Materiality	Conditions and issues	Initiatives	Indicators	Targets
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"> Ensure compliance with laws and regulations and provide anti-corruption education Implement an annual Compliance Awareness Month Identify, assess, and respond to risks Ensure tax compliance 	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"> Ensure diversity on the Board of Directors 	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"> Committee activities In-house training (compliance, IT) Conduct incident response drills 	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"> Disseminate information through various media Communicate with investors 	Enhance continuous disclosure Increase dialogue with investors	—

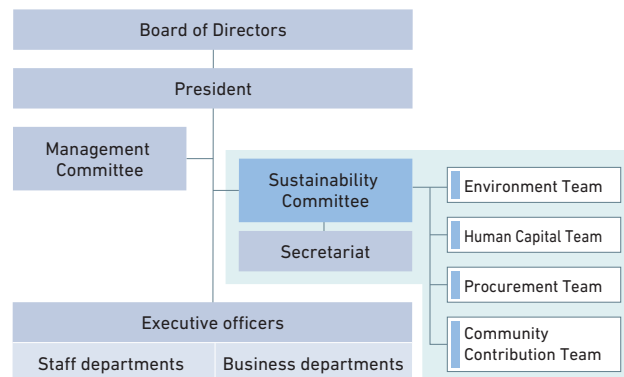
Sustainability promotion structure

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.

Board of Directors

The Board of Directors makes decisions on important

Sustainability Committee



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 directors and outside corporate auditors (four outside directors and two outside corporate auditors) participate in meetings of the Board of Directors.

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.

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.

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 Division.

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.

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.

Environment

With “consideration for the environment” as one of our key values, we will continue to manufacture products in an environmentally friendly way.

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.

We are also actively pursuing carbon neutrality as part of our efforts.

Environmental Charter

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, we are dedicated to preserving the environment and fostering a recycling-oriented 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)

A. Kishimoto

Akira Kishimoto
President

NEG Nippon Electric Glass

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

Environmental management

Our environmental management system is overseen by an Environment Division and includes various business departments, manufacturing group companies both in Japan and overseas, along with staff departments. All work is conducted under the direction of the president and the executive officer in charge of environmental affairs.

Environmental management system



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 serves as a forum to deliberate on responses to climate change, waste management, water resources, and other Group-wide environmental conservation initiatives raised at 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.

Environment

Addressing climate change

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 adoption of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for analyzing the risks and opportunities that climate change poses to 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.

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

Note: TCFD dissolved in October 2023 and was succeeded by the International Financial Reporting Standards (IFRS) Foundation.

Related information ▶ Carbon Neutrality Action Plan "Metrics and targets" on page 41 and "Initiatives to achieve targets" on page 42

• Carbon neutral initiatives

Governance and risk management

"Sustainability promotion structure" on page 38 describes our governance structure for sustainability. Its role in addressing climate-related risks and opportunities is as follows.

Sustainability Committee

The Environment 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 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 assessments conducted by the Group in line with our basic policy on internal control. The responsible divisions implement appropriate countermeasures.

Strategies

Scenario analysis

We conduct scenario analysis to evaluate the business impacts under different scenarios and to evaluate our strategic resilience to climate-related risks and opportunities.

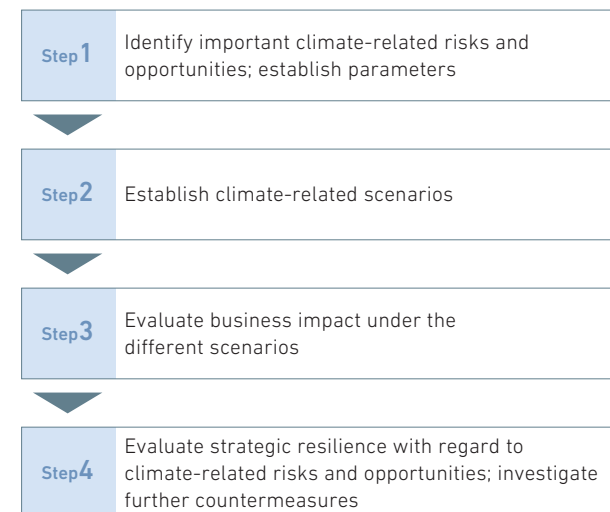
Businesses targeted for analysis

All NEG 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 the year 2030.

Analysis steps



Established scenarios

Category	Scenario overview	Main reference scenarios
1.5°C/2°C scenario	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"> • IEA World Energy Outlook 2025 Net-Zero Emissions by 2050 Scenario • IEA World Energy Outlook 2019 Sustainable Development Scenario • IPCC RCP2.6
4°C scenario	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 ₂ 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"> • IEA World Energy Outlook 2025, 2019 Stated Policies Scenario • IEA World Energy Outlook 2025 Current Policies Scenario • IPCC RCP8.5

Environment

Major climate risks and opportunities, impact on business, and countermeasures

Type	Risks and opportunities	Impact on business	Countermeasures
Transition risks			
Policy and legal	Carbon pricing introduction and increase	Increase in manufacturing costs 23 billion yen for 1.5°C/2°C 2 billion yen for 4°C	Execution of the Carbon Neutrality Action Plan
Technology	Investment in manufacturing facilities to reduce CO ₂ emissions	Increase in depreciation costs Impact on business* ¹ : Medium	
Reputation	Negative criticism of energy-intensive companies	Decreased sales* ²	
Market	Increase in energy prices	Increase in logistics costs Impact on business* ¹ : Medium for 1.5°C/2°C High for 4°C	Maintain strong relationships with suppliers, develop and diversify the supplier base, and shift to general-purpose products
	Soaring glass raw material prices due to changes in resource supply and demand structure	Increase in procurement costs* ²	
Physical risks			
Acute	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
Chronic	Negative impact on operations due to drought		
Opportunities			
Resource efficiency	Reduced energy consumption and Scope 1 plus Scope 2 CO ₂ 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
Products	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		
Market	Increased demand for all-solid-state sodium ion secondary 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 plus Scope 2 CO₂ 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.

CO₂ emissions reduction targets

Scope 1 plus Scope 2	<ul style="list-style-type: none"> • Reduce CO₂ emissions by 36% and emissions intensity* by 60% in fiscal 2030 (compared to fiscal 2018) • Achieve carbon neutrality by fiscal 2050
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* Production weight ratio

Environment

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 CO₂ reduction targets. All departments advance initiatives to carry out the plan with a focus on the areas shown 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.

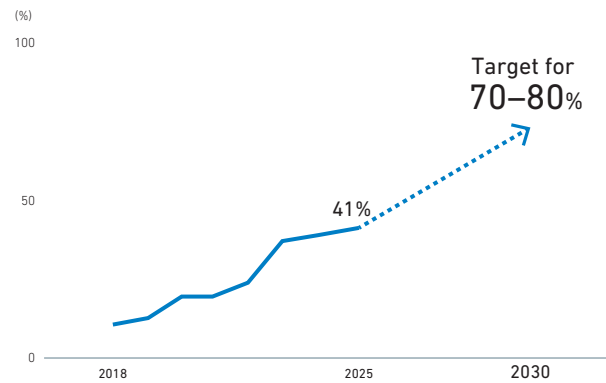
Carbon Neutrality Action Plan initiatives

Category	Initiatives
Manufacturing process	<ul style="list-style-type: none"> Promoting all-electric melting and improving melting efficiency Switching to energy-saving facilities Technological improvement and electrification for forming and processing facilities Operations automation and optimization
Utility facilities	<ul style="list-style-type: none"> Upgrading to high-efficiency facilities Facility optimization Operation optimization
Technological development	<ul style="list-style-type: none"> Combustion technology development for CO₂-free fuels (hydrogen, etc.)
Procurement	<ul style="list-style-type: none"> Investment in and procurement of renewable energy

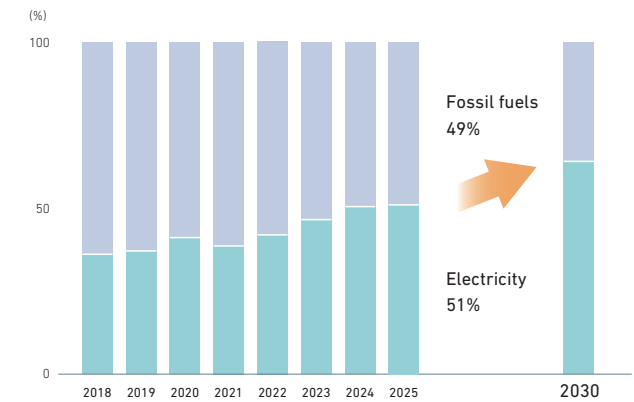
Carbon Neutrality Action Plan progress

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 CO₂ reduction targets. When necessary, the team consults with the departments to determine whether revisions to the plan and targets are required.

Percentage of all-electric melting



Electrification of melting, forming, and processing facilities (energy consumption percentages)



Status of technology development and procurement initiatives

Initiatives	Progress
Promoting all-electric melting and improving melting efficiency	<ul style="list-style-type: none"> Received the Carbon Management Master Award from AUO (October 28, 2025) Introduced an all-electric melting furnace at our Malaysian subsidiary for the production of pharmaceutical glass tube containers (December 16, 2025)
Combustion technology development for CO₂-free fuel (hydrogen, etc.)	<ul style="list-style-type: none"> Successfully developed melting glass with combustion technology using a hydrogen-oxygen burner (April 19, 2022)
Investment in and procurement of renewable energy	<ul style="list-style-type: none"> Started operation of a mega solar power system at the Shiga-Takatsuki Plant (March 30, 2023) Signed a Virtual Power Purchase Agreement (VPPA) for solar power (December 11, 2023) Signed a VPPA for solar power at the Malaysian subsidiary (July 25, 2024) Started solar power generation using the self-consignment system at the Shiga-Takatsuki Plant (February 1, 2026) <p>In addition, solar power generation systems are being installed by Group companies in Japan and overseas.</p>

Environment

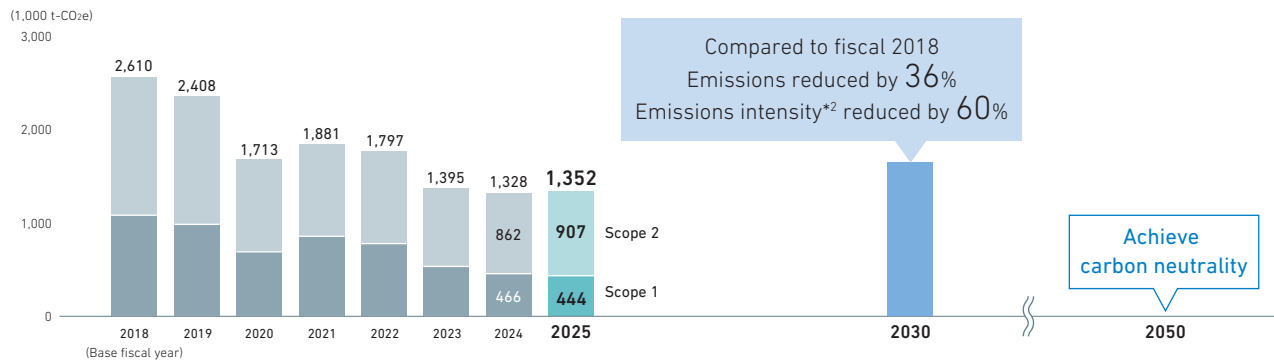
• CO₂ emissions

CO₂ emissions (Scope 1 plus 2)

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 CO₂ emissions increased due to a revised CO₂ emission factor used in the third-party verification process, resulting in Scope 1 plus 2 CO₂ emissions intensity increasing to 77% of the fiscal 2018 level.

We have already achieved our fiscal 2030 Scope 1 plus 2 CO₂ emissions target. The Group will continue to monitor our targets and initiatives while reviewing each country's CO₂ emission reduction targets and trends in green transformation (GX) policies.

CO₂ emissions*1



*1 The Group conducts third-party verification of CO₂ emissions (Scope 1 plus 2) through limited assurance services. Fiscal 2025 figures have been revised from the provisional values published in February 2026. Calculations based on the GHG Protocol and ISO 14064-1. Scope 2 figures calculated using a market-based approach

*2 Production weight ratio

CO₂ emissions (Scope 3)

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

*1 Category 8: Included in Scope 1 plus 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

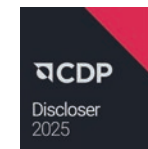
*3 Category 11: No products directly emit greenhouse gases during use.

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

CDP data disclosure

In fiscal 2024, we began disclosing information-based responses to the CDP Climate Change Questionnaire. Our CDP score for fiscal 2025 earned a "B" ranking.

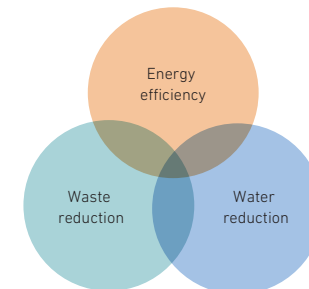
We are continuing to advance our efforts to address climate change and to provide appropriate information disclosure.



Environmental Business Plan

The Environmental Business Plan is a unique initiative that applies business management methods to environmental conservation activities. Our efforts to ensure efficient resource use and to reduce waste include initiating stepped-up efforts to reduce waste in fiscal 2001 and water consumption in fiscal 2003, and to improve energy efficiency in fiscal 2021.

In fiscal 2026, we are further strengthening these initiatives within our sustainability promotion framework by focusing on addressing climate change, using resources efficiently, and consideration for the environment, all of which contribute to corporate value.



Environment

Using resources efficiently

We strive to minimize waste and promote recycling throughout the production process, in line with our policy to comprehensively reuse solid waste generated in our glass manufacturing operations.

Waste is categorized into "regular waste" generated during normal production activities and "bulky waste" generated during periodic repairs of glass melting furnaces, and is further classified into the following four categories. Among these, we have designated the unit cost of "Landfill Waste D," which has the greatest environmental impact, as a key performance indicator and are prioritizing reduction.



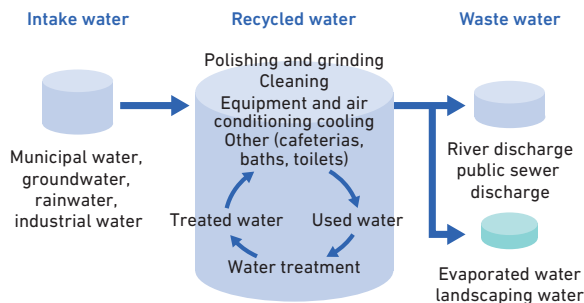
Minimizing and reusing waste products are part of our ongoing efforts to use resources as efficiently as possible.

Consideration for the environment

• Water management

We have long placed special emphasis on water stewardship, given that many of our manufacturing sites are located near Lake Biwa. Recognizing water as a valuable resource, we are committed to reducing consumption and minimizing environmental impact through its efficient use.

We believe that water consumption in manufacturing operations reflects the efficiency of our production processes. Accordingly, we use water intake and discharge volumes as key indicators of operational efficiency, as shown in the figure below.



We will continue improving our water management to reduce consumption and use this valuable resource as efficiently as possible.

• Biodiversity conservation

We view lean manufacturing as both economically beneficial and environmentally responsible, and we also regard it as essential to the conservation of biodiversity.

We actively promote biodiversity through initiatives such as preserving native vegetation around the Notogawa Plant and supporting local forest conservation efforts.

We also provide our supply chain business partners with our Guideline for Green Procurement and work together to preserve biodiversity.



Native natural vegetation near the Notogawa Plant

Related information Guideline for Green Procurement
<https://www.neg.co.jp/en/company/procurement/>

Developing environmentally friendly products

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

Fiscal 2025 results

Sales of environmentally friendly products	Approx. 84 billion yen
--------------------------------------------	------------------------

Related information Developing Environmentally Friendly Products and Services
<https://www.neg.co.jp/en/sustainability/environment/products/>

Additional major initiatives are reported on the website.

<https://www.neg.co.jp/en/sustainability/environment/>

- Improving Energy Usage Efficiency
- Waste Reduction and Recycling
- Water Intake and Wastewater Management
- Green Loan

<https://www.neg.co.jp/en/sustainability/esg-data/>

- Analysis of Environmental Burden
- Environmental Accounting
- Third-party Assurance Statements (Scope 1 and 2)

Social

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.

Human resources policy

Toshiyuki Nakajima

Senior Vice President,
General Manager of
Human Resources Division



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 is 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.

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,

- 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

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 fostering a thriving 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

Maximizing the power of our people and organization



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.

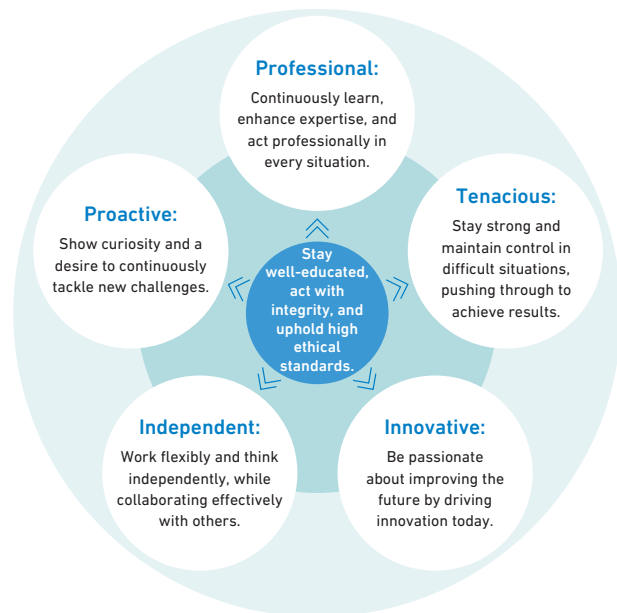
Social

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



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.

Training categories and objectives

Level-specific training	Strengthen leadership and management capabilities for specific roles and responsibilities
Skill and specialization training	Transfer and acquire advanced specialized knowledge, technology, and critical thinking ability
Global talent development	Develop the perspectives and skills needed to lead overseas projects and collaborate with diverse stakeholders
Self-development support	Promote self-directed skill building and career growth

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

Diversity (recruitment and active participation)

We believe that the collective strength of a diverse workforce drives corporate growth. Our Company's growth is built on human resources of all genders, ages, and nationalities. We actively recruit diverse talent and foster a workplace environment where employees respect human rights and work with motivation and purpose.

• Hiring a diverse workforce

We are actively recruiting women to promote their full participation in the workforce. In fiscal 2025, women held 25.8% of career-track positions. We are also increasing the percentage of individuals hired as mid-career professionals and are actively recruiting individuals with diverse perspectives and experiences. In fiscal 2025, mid-career professionals accounted for 55.7% of all new hires.

Employing people with disabilities is a key part of our sustainability initiatives. We are systematically improving work environments, expanding the range of positions available, and aiming to raise the employment rate of people with disabilities from 4.0% as of the end of December 2025 to 4.6%, well above the statutory level of 2.5%. Foreign national employees are actively engaged across all areas and play important roles in our global business operations.

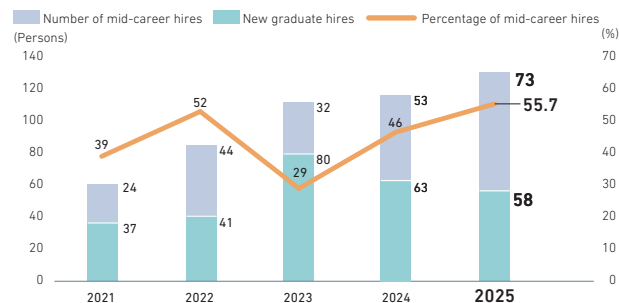
Our personnel system is designed to support the full participation of all employees, and our corporate Code of Conduct upholds human rights and prohibits all forms of discrimination and harassment.

• Hiring mid-career professionals

We constantly strengthen our human resource foundation by actively hiring mid-career professionals. In addition to hiring new graduates to secure the next generation of talented employees, we also recruit career professionals with specialized expertise, skills, and experience. Furthermore, we enhance diversity and respond to growing workforce mobility by recruiting local talent through employee referrals, offering a program to rehire former NEG employees, and providing multiple entry points for joining the Company.

Social

Number of hires (non-consolidated)



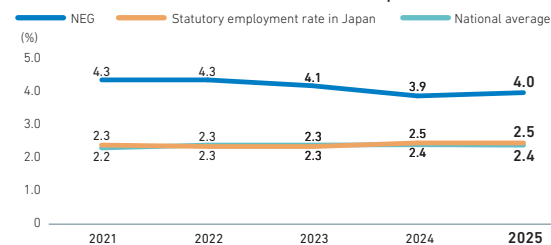
• Employment of people with disabilities

We have a special-purpose subsidiary aimed at employing people with disabilities; E.G.UNIVERSUPPORT CO., LTD. (<https://www.us-neg.com/>). For its outstanding action in hiring and training young people, this subsidiary was in fiscal 2018 granted Youth Yell certification from the Ministry of Health, Labour and Welfare, the second special-purpose company in Japan to be certified.

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.

We will continue actively engaging people with disabilities as valued members of our workforce.

Percentage of employees with disabilities (NEG and consolidated subsidiaries in Japan)



• 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.

Workplace improvement examples

(initiatives continuing from before fiscal 2025)

Category	Content
People with disabilities	<ul style="list-style-type: none"> Installing wheelchair ramps, elevators, and accessible washrooms Expanding employees' scope of work
Women	<ul style="list-style-type: none"> Providing childcare support (received Platinum Kurumin certification) Creating more in-house support systems Female employee discussion sessions and career seminars (fiscal 2025)
Seniors	<ul style="list-style-type: none"> Initiating a stepped system for raising the pay of rehired workers Establishing compensation systems that match job duties
Foreign nationals	<ul style="list-style-type: none"> Providing support to ensure understanding of company systems Holding training Japanese language classes, mentoring program
LGBTQ persons	<ul style="list-style-type: none"> Raising LGBTQ awareness during human rights education Gender-neutral initiatives, including work uniforms, changing rooms, and restrooms

• 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.

• 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.

• Support for employees with children 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. Company initiatives have held the percentage of male employees taking childcare leave above 80% for three consecutive years, with a 100% rate in fiscal 2025.

We have created 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, offering in-house seminars on women's health, and providing career development training. In fiscal 2025, the percentage of female

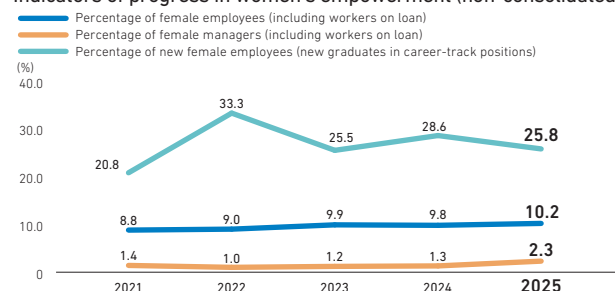
Social

managers reached 2.3% at NEG and 12.6% across the Group, achieving our fiscal 2028 target ahead of schedule.

Performance indicators and targets for supporting employees with children and women's empowerment

	Indicators and targets
Support for employees with children	<ul style="list-style-type: none"> 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
Women's empowerment	<ul style="list-style-type: none"> 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)

Indicators of progress in women's empowerment (non-consolidated)



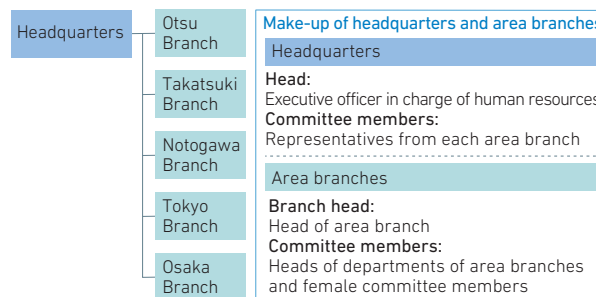
Human rights initiatives

• Basic stance on human rights

In line with the spirit of our Corporate Philosophy Structure, 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.

Organization chart of the Committee on human rights issues



• System for respecting human rights

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.

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.

• Supply chain human rights initiatives

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. In addition, we introduced a human rights hotline for the supply chain in fiscal 2025.

Moving forward, we will continue to identify human rights risks within the supply chain and collaborate with our business partners to mitigate them.

PDCA for strengthening employee engagement

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 results are shared with the Management Committee and at department head meetings, and feedback is provided to all employees to support an objective understanding of organizational strengths and weaknesses and to establish a system for continuous improvement of workplace conditions.

Employee awareness survey results are used to improve the workplace in the following cycle.

- 1) Conduct the main survey and identify issues
Analyze strengths and weaknesses at both the Company and workplace level, and identify priority issues
- 2) Plan and implement improvement measures
Develop improvement measures and translate them into concrete actions at each workplace
- 3) Monitor progress through focus surveys
Conduct targeted surveys at each workplace, verify the

Survey results

Category	Fiscal 2025
Aim	• Visualize state of organization, and improve it at the Company-wide and workplace levels
Total number of respondents	• 1,973 (1,938 for fiscal 2024)
Response rate	• 99.2% (99.6% for fiscal 2024)
Results summary	<ul style="list-style-type: none"> Satisfaction levels maintained across all areas of engagement Higher overall score than the previous fiscal year, likely reflecting the impact of workplace-level improvement efforts

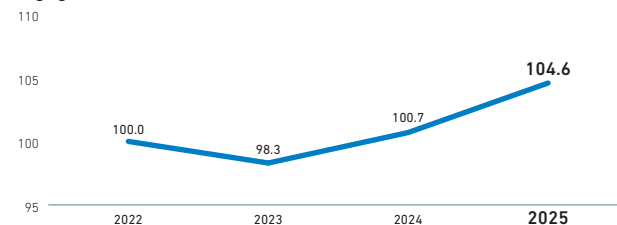
Social

- effectiveness of measures, and confirm progress
- 4) Review measures and reflect in the next fiscal year
 - Adjust measures as needed and continue the improvement cycle in the next main survey

• Linking workplace improvements to enhanced corporate value

Engagement initiatives enhance employee motivation and job satisfaction, fostering a more vibrant organization, increasing productivity, and stimulating innovation, thereby strengthening corporate value and supporting the sustainable growth of the EGP2028 plan.

Engagement scores* (non-consolidated)



*Based on a score of 100 in fiscal 2022

Occupational health and safety

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.

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.

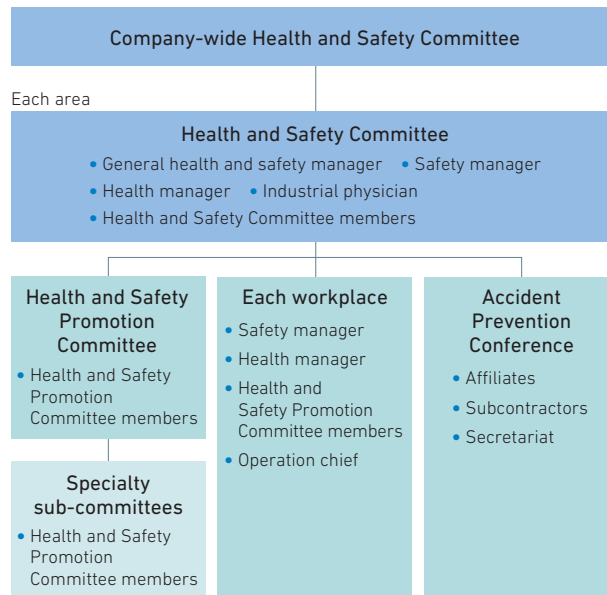
The Safety and Health Committees, Health and Safety Promotion Committees, and Accident Prevention Committees in each region also implement various initiatives.

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.

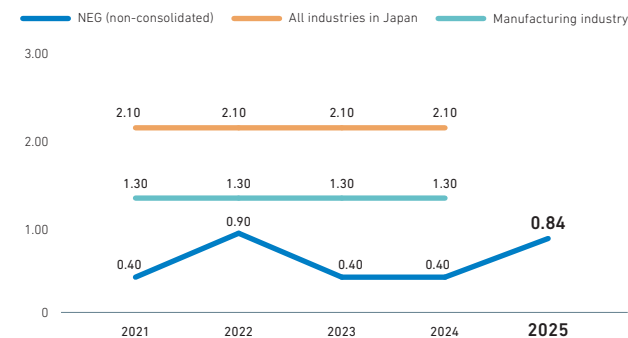
The number of accidents has remained steady in recent years, and we continue to conduct risk assessments and implement intrinsic safety measures, workplace patrols, and safety education measures with the aim of achieving zero safety incidents. Our industrial accident frequency, severity, and occupational 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.

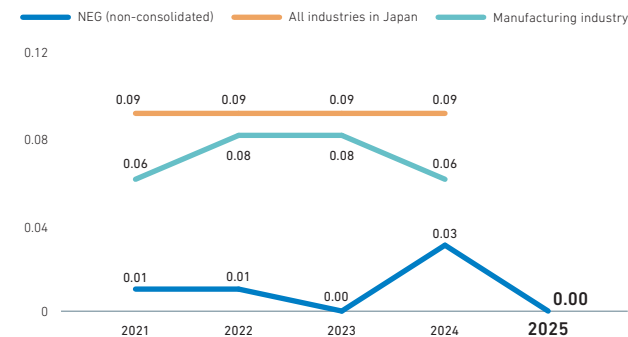
Organization chart of occupational health and safety



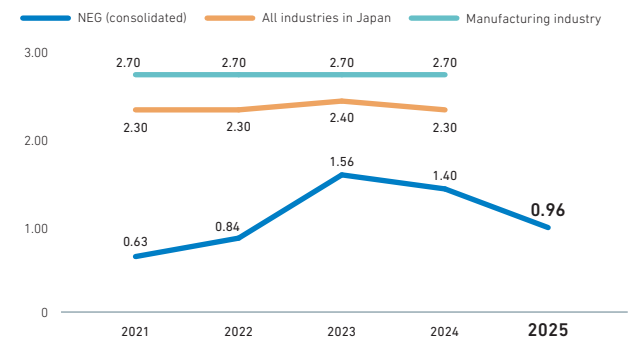
Industrial accident frequency rate (non-consolidated)



Industrial accident severity rate (non-consolidated)



Occupational injury rate per 1,000 employees (consolidated)

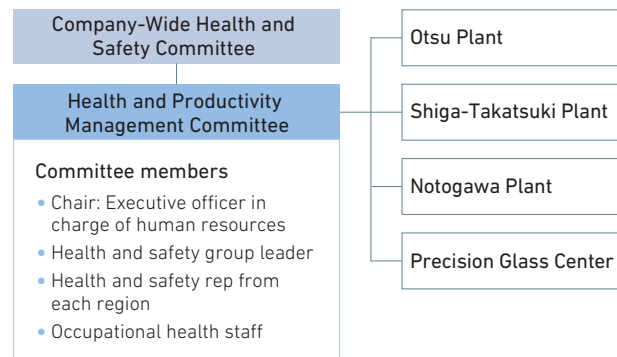


Social

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

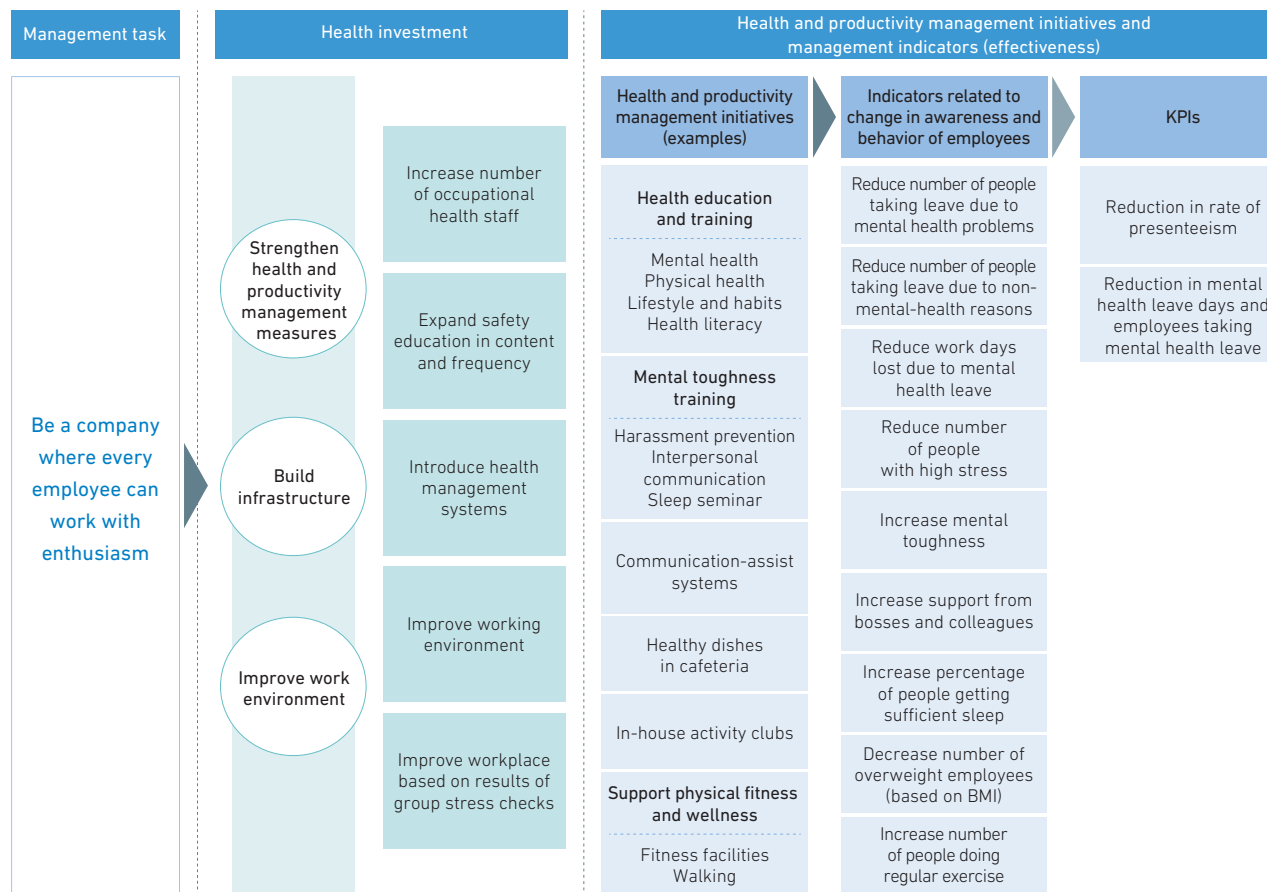


Health and productivity management targets and results (non-consolidated)

KPIs	Fiscal 2026 targets	Fiscal 2025 results
Rate of presenteeism*1	Less than 23.0%	24.9%
Rate of mental health leave*2	Less than 1.0%	1.5%

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

Health and productivity management strategy map



Additional major initiatives are reported on the website.

<https://www.neg.co.jp/en/sustainability/social/>

- Education and training system
- Employee awareness surveys and health and productivity management initiatives

<https://www.neg.co.jp/en/sustainability/esg-data/>

- Number of employees, length of service, turnover rate, and salary structure

Social

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.

• 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 and 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 plant 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

Social

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.



Shiga-Takatsuki Plant
Children at the
neighborhood Industrial
Park



Paju Electric Glass Co., Ltd.
Sponsored movie
screening event for
people with disabilities

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

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.

• 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.

• 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.

Related information: Kyoto University Department of Fundamental Glass Science
<https://fgs.mc.kyoto-u.ac.jp/index.html>
(in Japanese only)

• 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 Japan
- 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.



The Comprehensive
Agreement on
Promoting Cooperation
in Industry-Academia
Collaboration with
Shiga Prefectural
University

Roundtable discussion of the Chair and outside directors

Establishing appropriate governance and enhancing corporate value by transforming into a high-profit company



Motoharu Matsumoto
Chair of the Board of Directors

Reiko Urade
Outside Director

Nahomi Aoto
Outside Director

Hiroyuki Ito
Outside Director*

Yoshio Ito
Outside Director

* Term ended March 27, 2026

Revised management system Business portfolio for a new era

Matsumoto The five-year EGP2028 Medium-term Business Plan was launched in fiscal 2024. In its first year, we focused on rebuilding business performance. Operating profit improved markedly in the second year, fiscal 2025, and I feel that the plan's strategies are beginning to deliver tangible results. What is your view as outside directors?

Y. Ito The most significant change in fiscal 2025 has been the management structure. The Company transitioned from a structure with five inside directors and four outside directors to a structure with three inside directors and four outside directors, making outside directors a majority on the Board of Directors. As this change was intended to strengthen corporate governance, I was surprised that the Company chose to reduce the number of inside directors by two rather than increase the number of outside directors by two. I now feel an even greater sense of responsibility

as an outside director.

I also believe that setting EGP2028 targets for fiscal 2026 with higher sales but lower profit reflects the seriousness of NEG's management approach. At the same time, the Company should provide clear and thorough explanations through IR and other channels to avoid creating a negative impression among stakeholders.

Roundtable discussion of the Chair and outside directors

Aoto When we learned that outside directors would form a majority of the Board, we requested greater information disclosure and more opportunities for dialogue. In fiscal 2025, we received reports from executive officers at Board meetings and had more opportunities for discussion outside the meetings, which gave us a deeper understanding of each business.

The Company is at a critical juncture, as NEG's business direction is undergoing a significant shift. Existing businesses have been generating profits, so the key question is how to expand into semiconductors and other new markets while continuing to grow as a glass technology company. To establish a strong foothold and achieve sustained growth in a rapidly changing market, the Company must not only adapt its operations but also maintain a flexible mindset. I feel that the Company was trying to do just that in fiscal 2025.

Urade The Company deserves high praise for its business performance in fiscal 2025. It maintained stable sales and improved its operating margin more than it had planned even while seeking the most effective strategies amid market instability due to international conflicts, uncertain U.S. tariff policies, slower growth in the Chinese economy, and fluctuating exchange rates.



Achieving the targets of the EGP2028 business strategies will require strengthening existing businesses and expanding new ones. My understanding is that the existing businesses still have room to grow sales. I believe the electronics business is also producing steady results and growing faster than expected. If I were to identify key challenges, I would highlight two: how to turn around the performance materials sector, and the fact that new businesses that could serve as future pillars have yet to be identified.

I am also paying close attention to the EGP2028 plan to generate market and social value. NEG manufactures products used throughout society, and I am particularly interested in, and have high expectations for, how it will develop a business strategy rooted not only in profit, but also in creating products that benefit society.

H. Ito I have served as an outside director for NEG for six years. During that time, the Company faced various unforeseen events and crises, including changes in the global political landscape and natural disasters beyond its control. I was impressed by the management team's ability to remain composed and respond calmly and steadily.

I consider the electronics business developing into a third core driver in fiscal 2025 to be a major development. Board discussions reflected appreciation for the performance results as well as a forward-looking focus that included in-depth dialogue on how to further develop the businesses. I believe this has served as a foundation for the next phase.

Matsumoto I have managed the Company with the belief that fiscal 2025 would be a crucial year in determining whether we can achieve the goals of the EGP2028 business strategy. As we have gradually reshaped our business portfolio with a focus on the electronics business, I believe we have delivered results that establish a solid foundation for achieving the fiscal 2028 targets.

Regarding the forecast for higher sales and lower profit in fiscal 2026 mentioned by Yoshio Ito, this outlook reflects an extremely challenging business environment and our commitment to look beyond the short term and build a company that is strong

over the long term. As a glass manufacturer, we require substantial capital investment and maintenance costs to ensure a stable supply of products. We therefore expect higher costs in fiscal 2026. At the same time, we believe these investments are essential to strengthening the Company and achieving the EGP2028 targets of 400 billion yen in net sales and 50 billion yen in operating profit. The underlying assumption is that we are a strong company, fully capable of generating both sales and profits.

We ask for our shareholders' understanding as we are in a period of preparation to achieve these goals.

Initiatives to improve Board of Directors effectiveness

Matsumoto We introduced new initiatives in fiscal 2025 to enhance the effectiveness of the Board of Directors, including regular reports from business managers and off-site meetings. What is your assessment of these initiatives, and were there any Board discussions or topics that left a particular impression on you?

Urade One point that stood out to me was the discussion on suspending operations at the UK subsidiary. The future of the composites business had been under consideration since the previous year, and the final decision was reached after thorough deliberation, including extraordinary Board meetings. I am interested in how the Company plans to proceed with its overseas expansion. The rapid changes in the external environment will make this very challenging, but I would like to hear your opinions on this matter.

Y. Ito I shared my views on the regular reports, including the format of materials and the allocation of time for Q&A sessions, and I believe this has helped improve their effectiveness. The on-site tours and meetings have also been highly valuable in developing a comprehensive understanding of the overall business.

I have extensive experience with structural reforms in my career, so the withdrawal from the UK operation mentioned by

Roundtable discussion of the Chair and outside directors



Ms. Urade was not unexpected. One aspect I do find very interesting is NEG's approach to dividends. The dividend level appears quite high in light of the payout ratio. The policy of increasing dividends each year, even incrementally, is understandable. However, with the stock price now nearly double its level at the start of fiscal 2025, I believe it is increasingly important to strike an appropriate balance in the use of funds, which could include reinvesting in new businesses and returning profits to employees. Ultimately, I believe the only path forward is to strengthen the Company and improve profitability.

Matsumoto Our approach to dividends has evolved over time. I became responsible for shareholder returns, including dividends, in 2005 when I was appointed General Manager of the Finance Division. At that time, we needed to make significant capital investments, primarily in the displays business. Glass manufacturing is a capital-intensive industry that requires substantial fixed assets and the ability to ensure a stable supply of products in volatile markets. Our top priority was therefore to secure a strong equity base. Over time, however, we adopted a more shareholder-oriented perspective and began basing our dividend policy on dividend on equity (DOE = total dividends / consolidated shareholders' equity).

With the EGP2028 plan, we have taken this approach further by setting a return on equity (ROE) target, which requires careful management of the balance sheet and disciplined execution of shareholder returns. We have raised the DOE-based dividend target to 3% and are implementing a program to repurchase 100 billion yen of outstanding shares over about five years.

At the same time, we remain fully committed to robust capital investment and R&D for future growth. These investments are by no means secondary.

Aoto As the electronics business becomes a larger part of the Company's operations, I will be interested in how management identifies which sectors will grow and to what extent. I am also interested in how it can recognize emerging opportunities early, determine where to allocate resources, and advance the necessary technologies. I believe NEG's ability to respond swiftly in this area will be a key determinant of its success.

Through discussions over the past year, I have come to appreciate that, in times of rapid market change, it is essential not only to respond to clients, but also to anticipate trends, make independent judgments, and proactively propose solutions.

H. Ito What left a lasting impression on me was the decision to withdraw from the UK operation and the Board meetings held at manufacturing sites. Last year, for the first time, a Board meeting was held at the main Shiga-Takatsuki Plant. The revision to the governance structure to make outside directors the Board majority has given them greater responsibility. Thus, holding a meeting at the plant and coupling it with a plant tour provided meaningful opportunities to gain a deeper understanding of the Company's internal workings.

Given the plan to develop the electronics business into a third earnings driver, it was extremely valuable to offer an external perspective on how to establish it as a viable business. I was also struck by the lively discussions at Board meetings, where many questions were raised about the advantages and challenges of all-electric melting technology.

Updated compensation structure and succession plan

Matsumoto How do you view the Nomination and Remuneration Advisory Committee's initiatives in fiscal 2025 and do you see any future issues?

Aoto Our discussions have been highly productive, and feedback on our proposals shows that management is giving careful consideration to the points raised in those discussions. In my view, the Company could take a more proactive approach to increasing compensation for inside directors. I believe that would also have a positive impact on employee morale.

H. Ito I agree. Considering an appropriate structure for executive compensation in alignment with the Company's overall pay framework could help strengthen employee incentives.

In addition, the reduction in the number of inside directors in fiscal 2025 has brought the size of the Board of Directors closer to that of the Nomination and Compensation Advisory Committee. It may be worthwhile to reconsider the division of roles between the two bodies.

Matsumoto The Nomination and Compensation Advisory Committee



Roundtable discussion of the Chair and outside directors

was established to facilitate objective discussions led primarily by outside directors. The President is included as a member to ensure that the Company's perspective is also represented. I view this committee as serving a role distinct from that of the Board of Directors. I also think that having an executive officer in charge of human resources act as the committee secretariat enables more in-depth discussions.

Urade Discussions in fiscal 2025 focused primarily on remuneration, but I believe that when nominations are considered, it would also be an opportune time to review the current composition of the Board of Directors. In addition, the regular reporting forum for executive officers fosters a sense of responsibility as managers, which I believe can contribute to management successor development.

Y. Ito I believe it will also become increasingly important for succession plans to fully integrate succession training. Such training is most effective when started early because it allows candidates to be thoroughly developed.

Matsumoto Although we do not have a formal written succession plan, we have long offered management development programs that provide structured training opportunities for mid-level



employees. We also provide practical experience through participation in projects, leadership roles at domestic subsidiaries, and long-term assignments at overseas subsidiaries.

Management that integrates sustainability into daily operations

Matsumoto In fiscal 2025, we changed the CSR Committee to the Sustainability Committee and began reviewing our materiality items with a focus on enhancing corporate value. What are your views on the challenges the Group faces as societal expectations for sustainability continue to evolve?

Y. Ito Society is placing increasing demands on companies, with concepts such as CSR, ESG, and the SDGs gaining prominence. When new demands arise, I often see companies respond by reorganizing or shifting priorities. I believe the most important approach is to establish a system in which a wide range of initiatives linked to materiality are effectively implemented at the operational level, and where employees can confidently see that their day-to-day work directly contributes to sustainability management.

Aoto A company has an obligation to ensure that every employee can thrive and fully utilize their abilities. I believe that pursuing this goal is both a corporate social responsibility and an integral part of sustainability. Rather than getting caught up in the superficial meaning of terms, I believe management should focus on creating an environment where employees can thrive and fully embody the Company's spirit and philosophy.

Urade Promoting women's participation in the workplace requires reform of both systems and mindsets. NEG's policies are not only on par with other companies but are actually at a very high level. To further advance women's participation in the future, the Company needs to focus on fostering a change in mindset.

Matsumoto I believe changing mindsets is even more challenging than developing systems, which makes it all the more important to focus our efforts in this area.

The same applies to corporate governance. It is essential for



every employee to have a strong sense of responsibility in their daily work. I will continue to focus on communicating and guiding employees on these points. Your perspectives from a different vantage point are extremely valuable and also help make our guidance more effective. I look forward to your active participation in discussions and to your continued insights in fiscal 2026.

Management (as of March 27, 2026)

Directors

Motoharu Matsumoto

Chair of the Board and Representative Director



Apr. 1982 Joined Nippon Electric Glass
Jun. 2003 CEO of Techneglas Inc.
Feb. 2005 General Manager of Finance Division
Apr. 2007 Vice President
Jun. 2011 Director and Senior Vice President
Apr. 2013 Executive Vice President
Mar. 2015 President and Representative Director
Jan. 2023 Chair of the Board and Representative Director (current position)

Akira Kishimoto

President and Representative Director



[Auditing]
Apr. 1985 Joined Nippon Electric Glass
Apr. 2012 General Manager, Electronic Products Division, Production
Apr. 2013 Vice President
Jan. 2016 Group General Manager, Electronic Products Group
Oct. 2017 Group General Manager, Consumer Glass Products Group
Jan. 2019 Senior Vice President
Jan. 2023 President (current position)
Mar. 2023 President and Representative Director (current position)

Mamoru Morii

Director and Senior Vice President



(General Affairs, Human Resources, Finance, Purchasing, Information Systems)
[Corporate Strategy, Corporate Communication, Marketing, Sales Management, Tokyo Branch Office, Security Trade Control]
Apr. 1985 Joined Nippon Electric Glass
Jun. 2014 General Manager, Finance Division
Jan. 2017 Vice President
Jan. 2021 Senior Vice President (current position)
Mar. 2022 Director (current position)

Reiko Urade (Independent Director)

Outside Director



Apr. 2010 Professor, Graduate School of Agriculture, Kyoto University
Apr. 2018 Emeritus Professor, Kyoto University (current position) and Research Professor, Institute for Integrated Radiation and Nuclear Science, Kyoto University (current position)
Mar. 2019 Outside Director of Nippon Electric Glass (current position)

Yoshio Ito (Independent Director)

Outside Director



Apr. 1973 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)
Jun. 2014 Representative Director, Senior Managing Director of Panasonic Corporation
Apr. 2017 Representative Director, Vice President of Panasonic
Jun. 2017 Representative Director, Executive Vice President of Panasonic
Jun. 2020 Outside Director of Kameda Seika Co., Ltd. (current position)
Mar. 2022 Outside Director of Nippon Electric Glass (current position)

Nahomi Aoto (Independent Director)

Outside Director



Apr. 1983 Joined NEC Corporation
Dec. 2011 Vice President of Elpida Memory, Inc. (currently Micron Memory Japan, K.K.)
Apr. 2015 Sr. Director, Responsible for the Development of DRAM and New Memory Processes, Technology Development Division, Micron Technology, Inc.
Nov. 2017 Sr. Director, Responsible for the Development of DRAM Processes, Technology Development Division, Micron Memory Japan, K.K.
Aug. 2023 Professor by Special Designation, Research Institute for Semiconductor Engineering, Hiroshima University (current position)
Visiting Professor by Special Designation, Center for Innovative Integrated Electronic Systems, Tohoku University (current position)
Mar. 2024 Outside Director of Nippon Electric Glass (current position)
May 2024 Outside Director of Rorze Corporation (current position)

Katsura Nakano (Independent Director)

Outside Director



Dec. 2009 Professor of Faculty of Economics, Shiga University (current position)
Apr. 2012 Director, Research Center for Sustainability and Environment
Research Center for Sustainability and Environment, Shiga University
2013 Visiting Research Fellow, Economic and Social Research Institute, Cabinet Office, Government of Japan
Oct. 2017 Visiting Academic, Waikato Management School, University of Waikato
Feb. 2018 Visiting Professor, Centre for Japanese Research, University of British Columbia
Apr. 2024 Vice President of a Special Mission, Shiga University (current position)
Mar. 2026 Outside Director of Nippon Electric Glass (current position)

Corporate Auditors

Yoshihisa Hayashi

Full-time Corporate Auditor



Apr. 1986 Joined Nippon Electric Glass
Mar. 2015 General Manager, General Affairs Division
Mar. 2019 Full-time Corporate Auditor (current position)

Toshiharu Narita

Full-time Corporate Auditor



Apr. 1991 Joined Nippon Electric Glass
Oct. 2010 Manager, Technical Division
Jan. 2025 Special Assistant to President
Mar. 2025 Full-time Corporate Auditor (current position)

Hiroji Indoh (Independent Director)

Outside Corporate Auditor



Apr. 1989 Registered as attorney at law and joined Showa Law Office
Jan. 1994 Partner, Showa Law Office
May 1998 Established Habataki Law Office, Partner (current position)
Jun. 2020 Outside Corporate Auditor of Keyence Corporation (current position)
Mar. 2023 Outside Corporate Auditor of Nippon Electric Glass (current position)

Yuichiro Katsura (Independent Director)

Outside Corporate Auditor



Oct. 1999 Joined Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
Jun. 2003 Registered as certified public accountant
Oct. 2024 Established Katsura Certified Public Accountant Office (current position), Representative Director of KMT Partners Inc. (current position)
Feb. 2025 Representative Partner of Lexicom Audit Corporation (current position)
Mar. 2026 Outside Corporate Auditor of Nippon Electric Glass (current position)

Management

Skills matrix of Directors and Corporate Auditors

Name	Position in the company	Outside/ Independent	Gender	Nomination and Remuneration Advisory Committee (★ indicates chairperson)	Key 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	Chair of the Board (Representative Director)		Men	✓	✓	✓	✓		✓	✓	✓
Akira Kishimoto	President (Representative Director)		Men	✓	✓		✓	✓	✓	✓	✓
Mamoru Morii	Director		Men		✓	✓	✓		✓	✓	✓
Reiko Urade	Director	✓	Women	✓				✓			✓
Yoshio Ito	Director	✓	Men	★	✓			✓	✓	✓	
Nahomi Aoto	Director	✓	Women	✓				✓		✓	
Katsura Nakano	Director	✓	Men	✓	✓		✓			✓	
Yoshihisa Hayashi	Full-time Corporate Auditor		Men				✓				✓
Toshiharu Narita	Full-time Corporate Auditor		Men				✓	✓			✓
Hiroji Indoh	Corporate Auditor	✓	Men				✓				
Yuichiro Katsura	Corporate Auditor	✓	Men			✓					

Selection criteria

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.	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.
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.	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 special glass manufacturer.
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.	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.
R&D, process development, and quality	Knowledge, experience, and capability in R&D, manufacturing 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.		

Executive Vice President

Tomonori Kano (Glass Fiber Business)

Senior Vice Presidents

Hiroki Yamazaki [Fundamental Technology, Intellectual Property, Product Safety Management, Cooperation in Research & Technology]
Masaaki Kadomi [Research & Development]
Masahiro Kobayashi [Electronic Products Business]
Takuo Horiuchi [Display Glass Business, Thin Film Business]
Hitoshi Kanaya [Process Development & Engineering, Environmental Management]
Toshiyuki Nakajima [General Affairs, Human Resources, Finance]
Masanori Wada [Consumer Glass Products Business]

Executive Officers

Hidetaka Oda [Display Glass Business (Production)]
Yoshiyuki Tamamura [Purchasing, Information Systems]
Ken Hamajima [Nippon Electric Glass (Malaysia) Sdn. Bhd.]
Takuji Oka [Electronic Products Business (Production)]
Eric Barrouillet [Glass Fiber Business (Sales)]
Ken Choju [Research & Development]
Kenichi Hirohashi [Consumer Glass Products Business (Production)]
Masataka Kawaguchi [Glass Fiber Business (Production), Electric Glass Fiber America, LLC]

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.

Our corporate governance policy

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

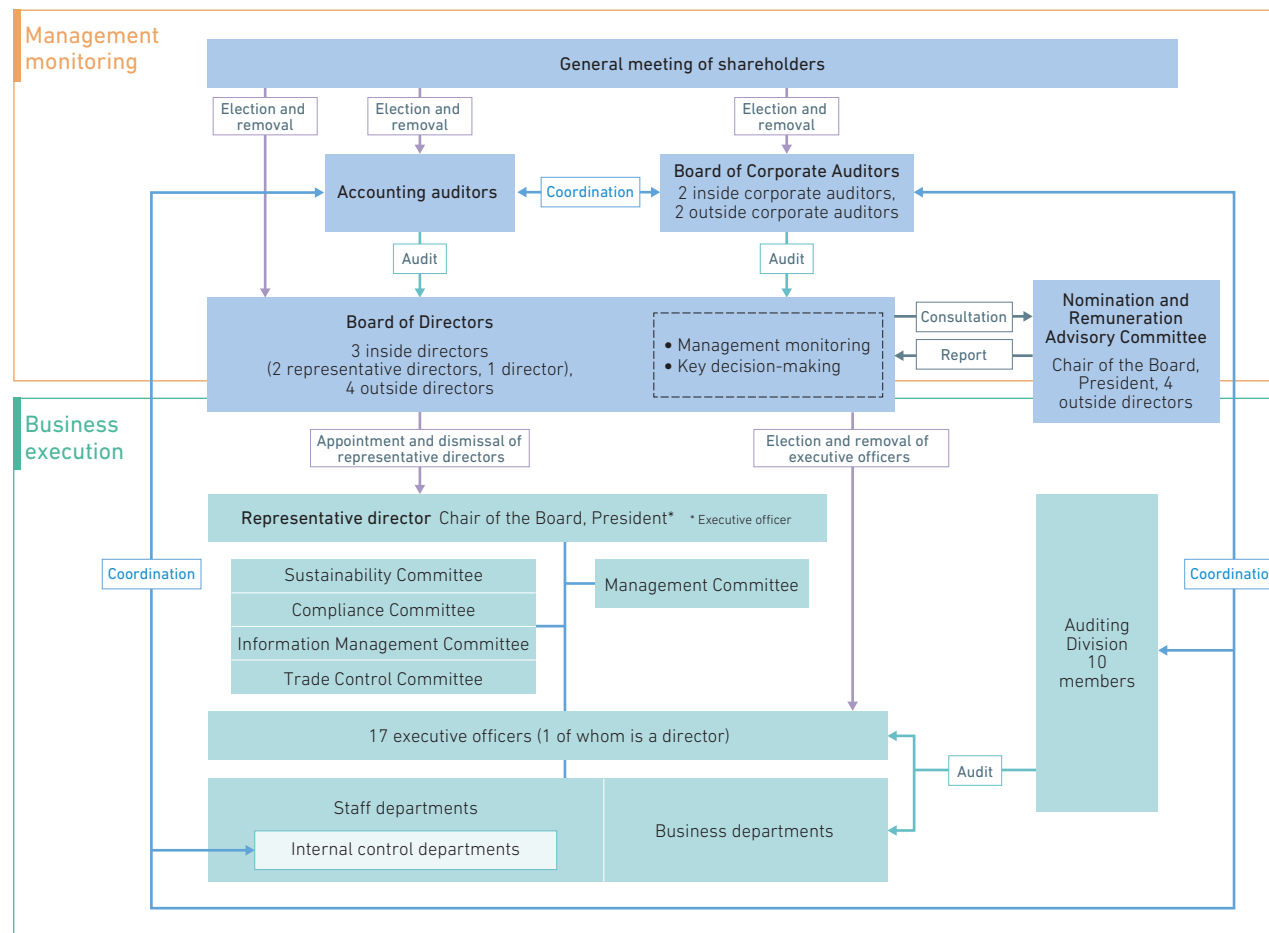
Corporate governance structure

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)

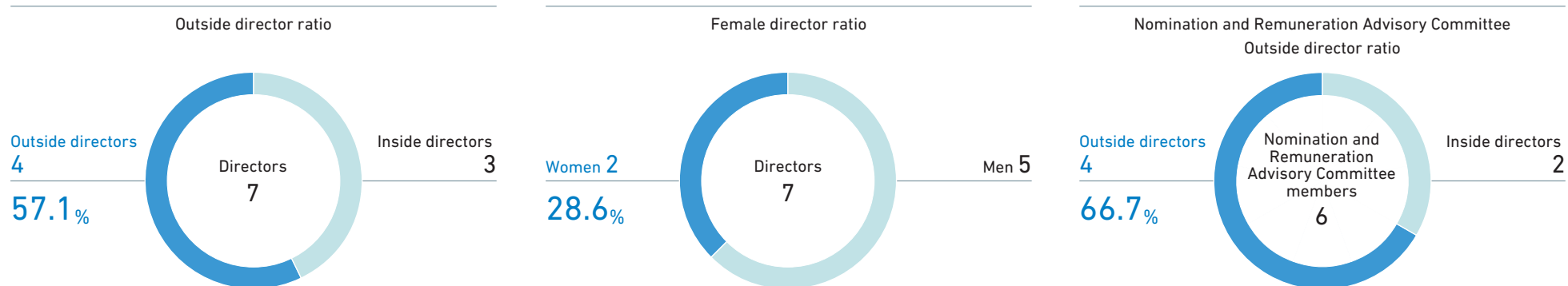


Corporate governance

Journey toward stronger corporate governance

	2000s	2010s	2020s
Settlement and shares	2006 <ul style="list-style-type: none"> Takeover defense measures introduced 	2012 <ul style="list-style-type: none"> Takeover defense measures abolished 	
Business execution and supervision system	2001 <ul style="list-style-type: none"> Executive officer system introduced Start of reduction in number of directors 	2015 <ul style="list-style-type: none"> First independent outside director appointed 	2020 <ul style="list-style-type: none"> Nomination and Remuneration Advisory Committee established
	2003 <ul style="list-style-type: none"> Term of office for directors shortened to one year First independent outside corporate auditor appointed 	2016 <ul style="list-style-type: none"> Independent outside directors increased to two Start of evaluation of Board of Directors effectiveness 	2023 <ul style="list-style-type: none"> Non-Japanese executive officer appointed Corporate advisor system abolished
		2019 <ul style="list-style-type: none"> Independent outside directors increased to three (outside directors now comprise one-third) System for granting restricted shares introduced First female outside director appointed 	2024 <ul style="list-style-type: none"> Number of female outside directors increased to two
Internal control and risk management	2000 <ul style="list-style-type: none"> Principles of Activities established 	2015 <ul style="list-style-type: none"> Corporate Philosophy Structure established Business continuity plan formulated 	2023 <ul style="list-style-type: none"> CSR Committee established
	2003 <ul style="list-style-type: none"> Auditing Division established 	2019 <ul style="list-style-type: none"> Whistleblowing system introduced for all group companies 	2026 <ul style="list-style-type: none"> CSR Committee renamed Sustainability Committee
	2006 <ul style="list-style-type: none"> NEG Hotline whistleblowing system introduced Compliance Committee established 		

Governance highlights (as of March 27, 2026)



Corporate governance

Corporate governance structure

• 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 budget meeting held once a year, 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.

• Board of Corporate Auditors

We adopt 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.

• 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 Nomination and Remuneration Advisory Committee met four times during 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

Chair	Yoshio Ito (outside director)
Members	Motoharu Matsumoto (chair of the board)
	Akira Kishimoto (president)
	Reiko Urade (outside director)
	Nahomi Aoto (outside director)
	Katsura Nakano (outside director)

Attendance at Board Meetings in fiscal 2025

	Name	Board of Directors meetings	Board of Corporate Auditors meetings
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%)

Corporate governance

• 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.

• 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.

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.

• 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?" respondents 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.

• 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.

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 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.

We base our determination of the independence of outside officers 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, or 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.

Related Information: [PDF Independence Standards for Outside Directors and Outside Corporate Auditors
https://www.neg.co.jp/en/assets/independence_standards_en_20240304.pdf](https://www.neg.co.jp/en/assets/independence_standards_en_20240304.pdf)

Training for directors and corporate auditors

During Compliance Awareness Month, which is held in October of every year, we invite outside instructors to come and give 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

Corporate governance

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 is 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 individual directors 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.

Specific content of monthly remuneration and bonuses are deliberated on and decided by the Nomination and Remuneration Advisory Committee. Unless an equal number of Committee members differ in opinion, the decisions of the Committee are deemed to have been adopted by the Board of Directors.

Grants of restricted shares are determined by the Board of Directors after consideration of individual duties and responsibilities as well as the share price after deliberation by the Nomination and Remuneration Advisory Committee and are 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.

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.

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.

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)

Additional major initiatives are reported on the website.

<https://www.neg.co.jp/en/sustainability/governance/>

- Reduction of cross-shareholdings
- The Basic Policy Regarding Internal Control

Compliance and risk management

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.

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.

- 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)

Compliance program

• 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 displaying 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.

• Whistleblowing system

The Company and its subsidiaries in Japan and overseas maintain whistleblowing systems to help prevent legal violations, misconduct, and unethical acts within the Group, and to enable early detection and prompt resolution should 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 whistleblowers and to ensure the strict confidentiality of all reported information.

• Raising compliance awareness

To raise compliance awareness (for example, for high ethical standards and respect for human rights) throughout our Group, each year we carry out compliance training as a part of an education program for newly hired employees and antitrust 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 the month for strengthening compliance. 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.

Risk management

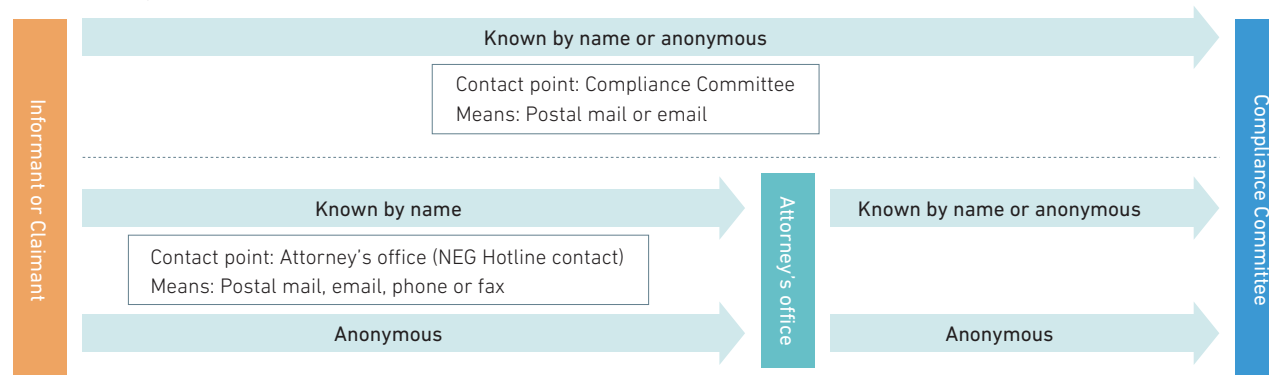
Our Group reviews business risks on a periodic basis, based on our policy on internal control, and takes the necessary steps to manage such risks. In cases involving any business risks that are deemed significant, responsible divisions or specialized committees formulate regulations and guidelines, conduct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

Additional major initiatives are reported on the website.

<https://www.neg.co.jp/en/sustainability/governance/>

- Compliance Education and Training
- Our Tax Accounting Policy
- Compliance Initiatives
- Business Risks
- Import/Export Control Initiatives
- Business Continuity Plan

Whistleblowing system of the company and domestic Group companies



Management of confidential information / information disclosure

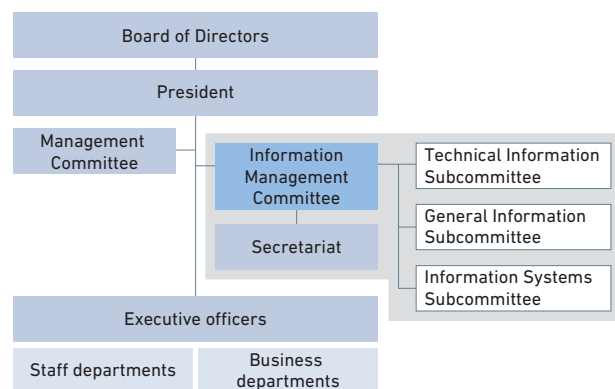
We strive to reduce risks and secure opportunities by acquiring, using, and disclosing various types of business information in an appropriate manner.

Confidential information management

The NEG Group has established basic policies for the proper handling of information assets in the Code of Conduct. The Group strives to ensure appropriate communication while using information properly and efficiently, and at the same time works to minimize risks that could significantly impact business activities, such as disruptions caused by information leaks or cyberattacks. Through these efforts, we aim to maintain a state in which no incidents occur that could materially affect the Group.

To achieve this, we have established an Information Management Committee, which deliberates on, formulates, and promotes key policies to prevent the improper or unauthorized acquisition, use, disclosure, or leakage of confidential information held by the Company. In addition to this, our various internal regulations stipulate procedures for the creation, use, disclosure, storage, and disposal of information.

Confidential information management system diagram



Employees deepen their understanding of these basic policies and related regulations through annual training on information management.

We have also established a Computer Security Incident Response Team (CSIRT) and developed systems for responding to

information security incidents. Through these systems, we work to minimize damage in the event of information security incidents and monitor operating conditions with regard to information security management. Relevant departments cooperate to provide education and training for employees, and necessary measures are implemented, including conducting training related to CSIRT at least once a year.

Number of major information security incidents

Fiscal 2025	0
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Information disclosure

The Group has set out policies for information disclosure in the Code of Conduct. In order to build sound relationships with each of our stakeholders, we strive to disclose necessary information in a timely and appropriate manner while promoting two-way communication to deepen mutual understanding.

• Public relations activities (PR)

As one of our aspirations as the “world’s leading manufacturer of special glass,” we aim to have people think of NEG when talking about glass. To achieve this goal, we run advertisements to enhance corporate awareness and use our official website, social media, and press releases to communicate our company story and product information.

We also run advertisements featuring “Ishiyama-kun,” a robot character made from special glass. By conducting regular corporate awareness surveys, we select advertising content and media tailored to our target audiences.

• Investor relations activities (IR)

The Company discloses investor-oriented information, including management conditions, financial results, and earnings forecasts, through the Timely Disclosure network (TDnet) in accordance with

the disclosure rules established by the Tokyo Stock Exchange, and promptly publishes such information on the Company website. Moreover, information considered useful for enhancing understanding of the Group is proactively disclosed in a timely, appropriate, and fair manner under fair disclosure rules, including through news releases and postings on our website.

We also engage in dialogue with institutional investors in Japan and overseas through individual interviews, financial results briefings, and participation in investor events hosted by securities companies. Feedback and requests received through these dialogues are fed back to management and utilized to enhance our information disclosure.



Ishiyama-kun

Additional major initiatives are reported on the website.

- 🔗 <https://www.neg.co.jp/en/sustainability/governance/risk-management/>
- Preparing for Computer Security Incidents
- 🔗 <https://www.neg.co.jp/company/library/>
- Video and Advertising Library (in Japanese only)
- 🔗 <https://www.neg.co.jp/en/sustainability/social/stakeholders/index.html>
- Communicating with Stakeholders

Consolidated financial data from the past 10 years

Nippon Electric Glass Co., Ltd. (NEG) and consolidated subsidiaries

	Fiscal years ended December 31 (Millions of yen unless otherwise specified)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Results of operations										
Net sales	¥ 239,411	¥ 282,447	¥ 300,326	¥ 257,511	¥ 242,886	¥ 292,033	¥ 324,634	¥ 279,974	¥ 299,237	¥ 311,402
Operating profit (loss)	19,571	32,201	24,865	16,258	17,660	32,779	26,184	(10,420)	6,120	34,131
Profit (loss) attributable to owners of the parent	4,968	27,184	15,199	(33,669)	15,252	27,904	28,167	(26,188)	12,091	29,616
Depreciation and amortization	31,255	28,734	29,775	28,576	24,931	26,721	28,962	37,185	28,937	24,206
Capital expenditures	46,429	52,913	49,339	20,160	23,447	44,894	68,024	34,402	36,951	34,309
Research and development	6,657	6,897	6,958	6,901	6,258	6,598	7,266	8,094	7,881	8,810
Financial position										
Total assets	¥ 693,917	¥ 764,420	¥ 725,320	¥ 664,800	¥ 658,139	¥ 698,129	¥ 747,907	¥ 703,917	¥ 695,163	¥ 701,413
Liabilities	184,353	220,631	203,772	187,645	181,219	198,386	218,995	213,786	207,604	205,231
Interest-bearing debt	101,997	120,660	112,004	100,478	103,687	96,821	105,525	120,343	113,265	99,394
Net assets	509,564	543,789	521,547	477,154	476,920	499,742	528,912	490,130	487,559	496,181
Shareholders' equity	490,624	509,836	505,121	461,815	467,425	475,684	492,721	444,407	417,452	416,463
Cash flows										
Cash flows from operating activities	¥ 48,261	¥ 46,159	¥ 52,002	¥ 21,637	¥ 47,861	¥ 69,881	¥ 31,563	(¥ 1,360)	¥ 52,200	¥ 52,029
Cash flows from investing activities	(36,138)	(68,644)	(19,551)	(14,316)	(19,759)	(31,754)	(57,155)	(20,777)	42,601	(10,397)
Cash flows from financing activities	(17,624)	9,797	(28,503)	(21,976)	(7,739)	(29,178)	(5,874)	(11,572)	(48,832)	(45,273)
Cash and cash equivalents at end of year	126,167	113,835	116,248	100,977	121,215	134,723	106,862	75,083	123,582	120,313
Per share of common stock (yen)										
Net income (loss)	¥ 49.95	¥ 273.29	¥ 154.26	(¥ 348.50)	¥ 157.84	¥ 290.98	¥ 302.76	(¥ 282.90)	¥ 141.67	¥ 382.33
Net assets	5,069.60	5,416.93	5,346.03	4,885.50	4,886.10	5,321.77	5,635.52	5,463.53	5,996.61	6,545.03
Cash dividends	80.00	90.00	100.00	100.00	100.00	110.00	120.00	120.00	130.00	150.00
Financial indicators (%)										
Operating margin	8.2	11.4	8.3	6.2	7.3	11.2	8.1	(3.7)	2.0	11.0
Equity ratio	72.7	70.5	71.2	71.0	71.7	70.9	70.1	69.2	69.6	70.2
Return on equity	1.0	5.2	2.9	(6.8)	3.2	5.8	5.5	(5.2)	2.5	6.1
Dividend on equity = total dividends / consolidated shareholders' equity	1.6	1.8	1.9	2.0	2.1	2.2	2.3	2.3	2.5	2.7

Notes: 1. Net income (loss) per share is calculated based on the average number of shares outstanding during each consolidated fiscal year. Net assets per share is calculated based on the number of shares outstanding as of the end of each consolidated fiscal year.

2. Diluted net income per share is not presented, as there are no dilutive potential shares.

3. As of December 31, 2025, the Group consisted of NEG, 23 consolidated subsidiaries and one company accounted for using the equity method.

4. We implemented a reverse stock split at a ratio of one share for every five shares of common stock, effective July 1, 2017. For comparability, per-share data is presented after retroactive adjustment to reflect the impact of the reverse stock split.

5. Effective from the fiscal year ended December 31, 2019, NEG and its consolidated subsidiaries applied the Partial Amendments to the Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). Results for the fiscal year ended December 31, 2018 have been retrospectively adjusted.

6. Effective from the beginning of the fiscal year ended December 31, 2022, NEG and its consolidated subsidiaries applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards, and key consolidated financial data for the year are presented on this basis.

Corporate profile

Corporate information

(as of December 31, 2025)

Company name	Nippon Electric Glass Co., Ltd.
Head office	7-1, Seiran 2-chome, Otsu, Shiga 520-8639, Japan Tel: +81-77-537-1700
Established	December 1, 1949
Plants (in Japan)	Otsu, Shiga-Takatsuki, Notoyawa, Precision Glass Center
Sales headquarters	Osaka, Tokyo
Capital	32,155 million yen
Number of employees	5,218 (consolidated) 1,778 (non-consolidated)

Stock information

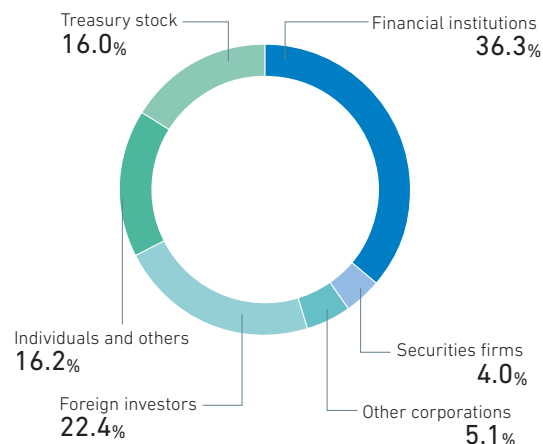
(as of December 31, 2025)

Stock exchange listings	Tokyo Stock Exchange Prime Market
Securities code	5214
Fiscal year	January 1 to December 31 of each year
Ordinary general meeting of shareholders	Held each year in March
Transfer agent for common stock	Sumitomo Mitsui Trust Bank, Limited

Information about NEG stock

Total number of shares authorized to be issued	240,000,000 shares
Total number of shares issued	89,523,246 shares
Shares per unit	100 shares
Total number of shareholders	35,383

Distribution of shares by shareholder type



Major shareholders

Shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,015	20.0
Custody Bank of Japan, Ltd. (Trust Account)	6,067	8.1
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	1,853	2.5
The Shiga Bank, Ltd.	1,617	2.2
Nippon Electric Glass Business Partner Shareholding Association	1,391	1.9
Nipro Corporation	1,254	1.7
DFA International Small Cap Value Portfolio	1,101	1.5
State Street Bank and Trust Company 505001	1,047	1.4
The Nomura Trust and Banking Co., Ltd. as the Trustee of Repurchase Agreement Mother Fund	1,010	1.3
JP Morgan Chase Bank 385781	982	1.3

Notes:

1. NEG holds 14,294,939 treasury stock, and these are excluded from the major shareholders indicated above.
2. The ratio of shareholding is calculated by excluding treasury stock.

Links to the latest press releases and exhibition information

Press release



Recent and
upcoming exhibitions



ESG Data Book



Owned media "NEG Journal"



NEG Journal is a web media platform featuring topics related to Nippon Electric Glass (NEG). We regularly publish articles on the latest information about special glass, products, technologies, and social activities to help provide a deeper understanding of the Company.



NEG

GLASS FOR FUTURE

Nippon Electric Glass