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Nippon Electric Glass Co., Ltd.
Motoharu Matsumoto, President
Securities identification code: 5214
First Section of the Tokyo Stock Exchange
Contact: Mamoru Morii, Senior Vice President
Phone: +81-77-537-1700

Notice of Establishment of the New Medium-Term Business Plan “EGP2026”

Nippon Electric Glass Co., Ltd. (the “Company”) hereby announces that it has established a new medium-term business plan, “EGP2026” (Electric Glass Prospects 2026), which covers a period of five years from fiscal 2022, as detailed below.

The Company has worked on its medium-term business plan “EGP2021” for three years from fiscal 2019, focusing on making its corporate structure stronger by growing human resources, technology base, and development capabilities, while achieving robust growth in its business performance.

During this period, the Company has made progress in developing products to support the future, including all-solid-state Na-ion secondary batteries, and at the same time, developed innovative manufacturing process technologies that not only improve quality and productivity, but also contribute to carbon neutrality, thereby improving the profitability of the display glass business. In addition, the Company actively invested in the display and medical fields and others to strengthen its business in growth markets. Performance of glass fiber struggled in terms of profit and loss at sites in Europe and the US, but the Company made steady progress in reforming its production system and organization and was able to lay the foundation for growth. As a result of these efforts, the Company achieved the target level of net sales, exceeded the target in terms of profits, and steadily strengthened its corporate structure, despite the continuing severe business environment, including rapid changes in the international situation and the spread of the novel coronavirus infection (COVID-19).

Under the new medium-term business plan “EGP2026,” the Company will continue to promote each measure with the goal of becoming “the world’s leading manufacturer of special glass.”

(Management targets and actual results of “EGP2021”)

	Fiscal year ended December 31, 2021	
	(Targets)	(Actual results)
Net sales	300.0 billion yen	292.0 billion yen
Operating profit	25.0 billion yen	32.7 billion yen
Operating margin	8%	11.2%

<<Outline of the new medium-term business plan “EGP2026”>>

(Slogan)

“Strong Growth” – Completing all work by changing ourselves and speeding up

(Basic policy)

We aim to become the world's leading manufacturer of special glass by strengthening our corporate structure and manufacturing the world's most environmentally friendly glass.

(Period)

January 1, 2022 to December 31, 2026 (5 years)

(Management targets)

- Net sales 400.0 billion yen
(Electronics and Information Technology: 210.0 billion yen, Performance Materials and Others: 190.0 billion yen)
- Operating profit 45.0 billion yen
- Operating margin 11%
- Year to achieve targets Fiscal 2026

In each business field, steadily implementing strategies for growth to achieve targets.

(Priority measures for growth)

(1) Strengthen the business platform

- Establishment of a strong supply chain
- Reinforcement of plants
- Continuation of basic research and development

(2) Flexible investment

- Swift investment in response to market growth and customer needs
- Promotion of DX and realization of smart factories
- Proactive efforts for M&As

(3) Promote new businesses

- Commercialization of new products such as all-solid-state Na-ion secondary batteries
- Expansion of substrate glass, cover glass and LTCC material businesses in the semiconductor field
- Proactive use of cooperation and alliances with other companies, etc.

(4) Promote carbon neutrality

- Promote the electrification of all processes, aiming to achieve a balance with an improvement in competitiveness
- Invest in and procure renewable energy
- Develop technologies for CO₂-free energy (hydrogen, etc.)

(5) Human resource strategy

- Recruitment and training of personnel with advanced knowledge and skills
- Appointment and promotion of diverse human resources
- Creation of a comfortable and motivating workplace

(Financial policy)

- Achieve operating margin of more than 10%
- Maintain a strong balance sheet
- Improve efficiency in the use of assets by streamlining total assets
- Management from the perspective of cash flows

(Profit distribution policy)

- Continued and stable payment of dividends (maintain dividends on equity ratio (DOE) of 2% and upwards)
- Expansion of dividends based on business performance, financial conditions, etc.
- Flexible acquisition of treasury shares

