

## Translation

Notice: This English version is a translation of the original disclosure in Japanese released on October 29, 2021 at 15:00 (GMT+9) and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

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MEMBERSHIP

October 29, 2021

# CONSOLIDATED FINANCIAL RESULTS for the Third Quarter of the Year Ending December 31, 2021 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**  
Listing: First Section of the Tokyo Stock Exchange  
Securities identification code: 5214  
URL: <https://www.neg.co.jp/>  
Representative: Motoharu Matsumoto, President and Representative Director  
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Scheduled date to file quarterly report: November 12, 2021  
Scheduled date to commence dividend payments: -  
Supplementary material on quarterly financial results: None  
Quarterly financial results presentation meeting: None

(in millions of yen with fractional amounts discarded, unless otherwise noted)

## 1. Consolidated performance for the third quarter of the year ending December 31, 2021 (From January 1, 2021 to September 30, 2021)

### (1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

For the nine months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
September 30, 2021	217,506	24.2	24,749	100.0	32,939	160.5	20,815	72.6
September 30, 2020	175,133	(10.3)	12,375	(3.5)	12,643	22.3	12,059	282.3

Note: Comprehensive income:

For the nine months ended September 30, 2021: 29,834million yen [440.3%]  
For the nine months ended September 30, 2020: 5,522million yen [ -%]

For the nine months ended	Earnings per share	Diluted Earnings per share
	yen	yen
September 30, 2021	215.37	-
September 30, 2020	124.80	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of			%
September 30, 2021	685,049	496,730	71.8
December 31, 2020	658,139	476,920	71.7

Reference: Equity:

As of September 30, 2021: 492,133 million yen

As of December 31, 2020: 472,198 million yen

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
For the year ended December 31, 2020	-	50.00	-	50.00	100.00
For the year ending December 31, 2021	-	50.00	-	—	—
For the year ending December 31, 2021 (Forecasts)	—	—	—	60.00	110.00

Note: Revision of the forecasts most recently announced: None

## 3. Consolidated earnings forecasts for the year ending December 31, 2021 (From January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
		%		%		%		%	yen
For the year ending December 31, 2021	295,000	21.5	34,000	92.5	40,000	109.3	27,000	77.0	279.34

Note: Revision of the forecasts most recently announced: None

**\* Notes**

- (1) **Changes in significant subsidiaries during the nine months under review** (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) **Application of special accounting for preparing the quarterly consolidated financial statements:** Yes
- (3) **Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**
- A. Changes in accounting policies due to revisions to accounting standards: None
  - B. Changes in accounting policies due to other reasons: None
  - C. Changes in accounting estimates: None
  - D. Restatement of prior period financial statements after error corrections: None

(4) **Number of issued shares (common stock)**

- A. Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2021	99,523,246 shares
As of December 31, 2020	99,523,246 shares

- B. Number of treasury shares at the end of the period

As of September 30, 2021	2,865,762 shares
As of December 31, 2020	2,882,008 shares

- C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the nine months ended September 30, 2021	96,650,996 shares
For the nine months ended September 30, 2020	96,632,355 shares

\* This quarterly financial results report is exempt from quarterly review by Certified Public Accountants or Audit firm.

\* Proper use of earnings forecasts, and other special directions  
(Proper use of earnings forecasts)

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and its subsidiaries (“the Company Group”) and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of “(2) Information regarding consolidated earnings forecasts and other forward-looking statements in Qualitative Information Regarding Consolidated Results for the Nine Months” on page 5.

## Qualitative Information Regarding Consolidated Results for the Nine Months

### (1) Information regarding operating results (Nine months ended September 30, 2021)

#### A. Overview

The global economy entered a recovery track as vaccination is progressing, although the spread of the novel coronavirus disease (hereinafter called COVID-19) continues to affect economic activity. In the domestic economy, corporate production activities and capital investment continued to show signs of recovery, despite a weak employment situation and personal consumption.

Under these circumstances, net sales for the nine months of the fiscal year (from January 1 to September 30, 2021) exceeded those of the same period of the previous fiscal year (from January 1 to September 30, 2020) due to an increase in shipments of our mainstay products, glass for flat panel displays (FPDs) and glass fiber, against a backdrop of strong demand in the display market and the market for high-performance resin used in auto parts, and also due to steady shipments of glass tubing for pharmaceutical and medical use and other products.

In terms of profit/loss, operating profit, ordinary profit, and profit attributable to owners of parent all significantly exceeded respective results in the same period of the previous fiscal year due to factors such as the increase in net sales, the rise in capacity utilization rates, and productivity gains.

#### B. Operating results

(Billions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021	Change (%)
Net sales	175.1	217.5	24
Operating profit	12.3	24.7	100
Ordinary profit	12.6	32.9	161
Profit attributable to owners of parent	12.0	20.8	73

Note: Amounts less than 100 million yen are omitted.

#### (Sales by products)

Reporting segment	Segment	Nine months ended September 30, 2020		Nine months ended September 30, 2021		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Electronics and Information Technology	99.4	57	114.0	52	14.5	15
	Performance Materials and Others	75.6	43	103.4	48	27.7	37
Total		175.1	100	217.5	100	42.3	24

Note: Amounts less than 100 million yen are omitted.

#### (Net sales)

##### Electronics and Information Technology:

Shipments of glass for FPDs increased compared to the same period of the previous fiscal year due to strong production amid continuing strong demand and increased sales of 10.5 generation size glass. Shipments of glass for optical and electronic devices increased compared to the same period of the previous fiscal year due to strong demand in applications for home appliances, semiconductors, and auto parts, despite a decline in demand of glass for optical devices.

#### Performance Materials and Others:

Shipments of glass fiber increased compared to the same period of the previous fiscal year due to the reinforcement of sales activities and the restart of facilities that had been undergoing production adjustments last year in response to strong demand for high-performance resin used in auto parts, etc. Shipments of glass tubing for pharmaceutical and medical use increased compared to the same period of the previous fiscal year due to the additional demand for COVID-19 vaccine containers amid strong global demand. Shipments of heat-resistant glass increased compared to the same period of the previous fiscal year, and glass for building materials also remained steady.

#### (Profit/loss)

Although soaring raw material and fuel costs, logistics costs, and other factors pushed down profit, this was more than offset by increased net sales, higher capacity utilization, and improved productivity, and operating profit exceeded that of the same period of the previous fiscal year.

Ordinary profit exceeded that of the same period of the previous fiscal year as a result of having recorded foreign exchange gains attributable to revaluation of receivables and payables related to loans for overseas subsidiaries, in addition to the increase in operating profit.

Profit attributable to owners of parent rose from the same period of the previous fiscal year due to factors that include the increases in operating profit and ordinary profit, along with extraordinary income recorded in association with a gain on sales of investment securities and insurance income related to damage incurred by domestic production facilities caused by a typhoon that struck in 2019, and despite extraordinary loss recorded due to expenses incurred with respect to temporary suspension of operations associated with power outage at domestic plants and facility repairs.

## (2) Information regarding consolidated earnings forecasts and other forward-looking statements (Consolidated earnings forecasts for the year ending December 31, 2021)

(Billions of yen)

	Year ending December 31, 2021
Net sales	295.0
Operating profit	34.0
Ordinary profit	40.0
Profit attributable to owners of parent	27.0

Note: Amounts less than 100 million yen are omitted.

Although COVID-19 continues to affect economic activity, the global economy is expected to mount a moderate recovery as vaccinations progress in each country. On the other hand, there are concerns about the global shortage of semiconductors and the impact of rising prices of raw materials, fuel, and producer goods on the supply chain.

Under such circumstances, the Company will aim to achieve the above earnings forecasts by responding to the current strong demand, as well as reviewing product prices and thoroughly controlling costs.

In the Electronics and Information Technology segment, we expect that shipments of glass for FPDs will remain steady against the backdrop of stable demand in the display market. We will promote sales of glass for optical and electronic devices, mainly in the home appliance, semiconductor and automobile markets.

In the Performance Materials and Others segment, we expect stable shipments with respect to glass fiber, particularly for automobile-related markets. We will respond to strong demand for glass tubing for pharmaceutical and medical use. In heat-resistant glass and glass for building materials, we will forge ahead in expanding sales centered on new products.

In light of the above outlook, the Company Group's consolidated earnings forecasts for the full year ending December 31, 2021 are left unchanged from the previous forecast (September 29, 2021).

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company Group and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors

that may impact actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets as well as the financial situation showing extensive changes in prices on capital markets, exchange rates, and interest rates, rapid technological advancement in addition to spread of infection. Factors not mentioned here also could have a significant impact on business results.

## Quarterly consolidated financial statements

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	121,440	138,685
Notes and accounts receivable - trade	59,286	63,183
Merchandise and finished goods	35,317	26,337
Work in process	2,359	1,289
Raw materials and supplies	23,186	27,557
Other	4,973	5,515
Allowance for doubtful accounts	(163)	(155)
Total current assets	246,399	262,412
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,738	77,828
Machinery, equipment and vehicles, net	249,825	254,846
Other, net	34,164	35,416
Total property, plant and equipment	355,727	368,090
Intangible assets	5,207	4,977
Investments and other assets		
Other	50,825	49,588
Allowance for doubtful accounts	(21)	(19)
Total investments and other assets	50,804	49,569
Total non-current assets	411,739	422,637
Total assets	658,139	685,049

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,501	35,485
Short-term borrowings	47,019	23,765
Income taxes payable	1,533	4,585
Other provisions	2,291	1,127
Other	24,230	30,103
Total current liabilities	103,576	95,067
Non-current liabilities		
Bonds payable	20,000	30,000
Long-term borrowings	34,668	41,005
Provision for special repairs	9,341	8,503
Other provisions	20	17
Retirement benefit liability	1,035	1,146
Other	12,576	12,579
Total non-current liabilities	77,643	93,251
Total liabilities	181,219	188,319
Net assets		
Shareholders' equity		
Share capital	32,155	32,155
Capital surplus	34,310	34,294
Retained earnings	411,137	422,265
Treasury shares	(10,178)	(10,120)
Total shareholders' equity	467,425	478,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,775	18,151
Deferred gains or losses on hedges	98	(49)
Foreign currency translation adjustment	(14,101)	(4,564)
Total accumulated other comprehensive income	4,773	13,537
Non-controlling interests	4,721	4,597
Total net assets	476,920	496,730
Total liabilities and net assets	658,139	685,049



**(2) Quarterly consolidated statement of income (cumulative) and quarterly consolidated statement of comprehensive income (cumulative)**  
**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	175,133	217,506
Cost of sales	138,410	158,033
Gross profit	36,723	59,473
Selling, general and administrative expenses	24,347	34,723
Operating profit	12,375	24,749
Non-operating income		
Interest income	502	537
Dividend income	705	743
Foreign exchange gains	—	6,047
Other	1,393	2,521
Total non-operating income	2,601	9,850
Non-operating expenses		
Interest expenses	445	388
Loss on retirement of non-current assets	397	587
Other	1,490	684
Total non-operating expenses	2,333	1,660
Ordinary profit	12,643	32,939
Extraordinary income		
Gain on sales of investment securities	670	1,994
Insurance claim income	241	1,393
Reversal of provision for special repairs	3,033	—
Total extraordinary income	3,944	3,387
Extraordinary losses		
Loss on accident	599	6,312
Impairment loss	402	—
Other	492	715
Total extraordinary losses	1,494	7,028
Profit before income taxes	15,093	29,299
Income taxes	2,778	8,229
Profit	12,314	21,069
Profit attributable to non-controlling interests	255	254
Profit attributable to owners of parent	12,059	20,815

## Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	12,314	21,069
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,502)	(624)
Deferred gains or losses on hedges	(92)	(148)
Foreign currency translation adjustment	(4,190)	9,312
Share of other comprehensive income of entities accounted for using equity method	(6)	224
Total other comprehensive income	(6,792)	8,764
Comprehensive income	5,522	29,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,267	29,580
Comprehensive income attributable to non-controlling interests	255	254