

Key Points of the Q&A Session at the Investor Meeting for FY2025

(Monday, February 9, 2026; Tokyo)

Q1. Please tell us the reason why the operating profit forecast for FY2026 is lower than that for FY2025. Why does operating profit increase in the second half of the year more than in the first half?

A1. FY2025 was a strong year, with operating profit exceeding the published figure. In FY2026, we plan to carry out scheduled repairs of many glass melting furnaces and switch to all-electric melting furnaces in Displays business. Most of this is concentrated in the first half of the year. The productivity of an all-electric melting furnace is very superior to that of a conventional gas combustion furnace. Capital investment and construction costs will temporarily increase, but we believe they will contribute to our business performance in the long term. In the second half of the year, we expect profits to recover as fewer construction projects are scheduled and facilities are in operation.

The results of the structural reforms in Composites business are beginning to show. We expect the operating margin to improve from the first half to the second half of the year as a result of improved productivity.

As a result, we expect a slight decrease in operating profit in FY2026. However, we intend to secure operating profit on a par with FY2025 by raising productivity in each business.

Q2. What is your view of the environment for Displays business?

A2. We were able to raise prices in FY2025. In FY2026, demand for glass is expected to increase by approximately 5% from FY2025 due to the increase in screen sizes, mainly for televisions.

Q3. You explained that the competitive environment for glass wafer for supporting semiconductors will be severe. Please tell us the sales forecast and competitive environment for FY2026.

A3. Although the market for glass wafer for supporting semiconductors is expected to continue growing, the number of competitors entering the market has increased as the market has grown. Sales will temporarily plateau in the first half of FY2026 due to increasingly severe competition and customers' production and operation plans. However, we are currently discussing development with customers for the second half of the year, and we expect sales to recover in the second half. We are also developing a glass substrate in the shape of a square to accommodate the panel level package.

Q4. What is the status of glass substrate for probe card?

A4. Our glass substrate for probe card uses LTCC material, which has temperature characteristics corresponding to the thinning of semiconductor wiring. Sales in FY2025 were lower than expected, but we expect to increase sales in FY2026 as customers gradually decide to adopt our products.

Q5. In Composites business, you have been promoting business structure reforms such as the suspension of business activities of the UK subsidiary. Please tell us about other initiatives to improve profitability.

A5. The business environment for glass fiber for resin reinforcement remains severe, so it is difficult to raise prices

as in other businesses. We have therefore been working to improve productivity and optimize product types. We are also promoting the sale of high-value-added products. Major initiatives are described on page 12 of the presentation materials. We expect to see a slight decline in sales in FY2026 from FY2025, but we expect to see a solid improvement in profits.

Q6. Mass production of D2 fiber is scheduled to start in the fourth quarter of FY2026. Please tell us the status of customer certification. We would also like to know the development status of low-expansion glass fiber.

A6. D2 fiber has been well received by customers, and I believe that the certification of future users is in progress. We will respond to the demand we have heard from our customers as the mass production facility will be put into operation in the fourth quarter of FY2026. We are also developing low-expansion glass fiber. We are working to develop each of these into a major pillar of our business in the future.

Q7. I would like to ask whether the targets of the Medium-Term Business Plan EGP2028 are within reach.

A7. EGP2028 sets targets for FY2028 of net sales of 400 billion yen, operating profit of 50 billion yen, operating profit margin of 12.5%, and ROE of 8%. The operating margin was 11.0% in FY2025, so it has come very close. We expect net sales of 350 billion yen in existing businesses and 50 billion yen in new businesses. We expect to reach our target for existing businesses by adding growth in semiconductor-related products to the 320 billion yen forecast for FY2026. In new businesses, we will focus on achieving the targets of EGP2028, including the development of fluorine-free water and oil repellent coating and engineering businesses listed in the materials, as well as M&A and joint ventures.

\* The information in this document is intended to be used for reference purposes only.

\* This document is not a full transcription of the Q&A session held at our earnings presentation meeting. Please understand that this is a simplified summary created at our discretion.

\* This document contains forward-looking statements on future company earnings and about the industry environment in which we operate. These statements are based on information available at the time the Nippon Electric Glass Group disclosed this information and contains risks and uncertainties. In addition, we do not guarantee the completeness and accuracy of the information contained in this document.