

Financial Results for 2Q of the Year Ending December 31, 2025

July 31, 2025

Nippon Electric Glass Co., Ltd.

Financial Results for 2Q of FY2025

Summary of 2Q Financial Results



(Billions of JPY)

	1Q	FY2025 2Q	2Q (accum)	FY2024 2Q (accum)	Change (%)
Net sales	74.8	78.9	153.7	154.7	-0.6%
Operation profit (Operation margin)	7.8 (10.6%)	8.7 (11.1%)	16.6 (10.8%)	2.8 (1.9%)	479.6%
Non-operating income / expense	-1.7	-0.6	-2.4	7.4	-
Ordinary profit	6.1	8.1	14.2	10.2	38.2%
Extraordinary income/loss	1.3	0.4	1.7	30.9	-94.4%
Profit attributable to owners of parent	5.0	5.0	10.0	30.2	-66.6%
Earnings per share (JPY)	¥62.47	¥65.04	¥127.51	¥347.08	-
Dividends per share (JPY)	-	-	¥70	¥65	-

Main factors in the change

Operation profit

Main items

- (+) Improved productivity
- (+) Increase in sales prices for displays business, etc.
- (+) Increase in sales of electronics business
- (+) Decrease in logistics costs
- (-) Decrease in sales volume of displays business

Non-operation income/expenses

- Foreign exchange losses were recorded(¥-4.1 billion), in contrast to foreign exchange gains recorded in the same period of the previous fiscal year (¥6.0 billion)
...Revaluation of receivables and payables related to borrowings by overseas subsidiaries

Extraordinary income/loss

- Absence of sale of non-current assets (¥-20.4 billion)
...In the same period of the previous year, significant gains on the sale of assets were recorded, including the former site of Fujisawa plant and assets from South Korean site of the displays business
- Business restructuring expenses (¥-2.9 billion)
...Composite business (UK)

Displays

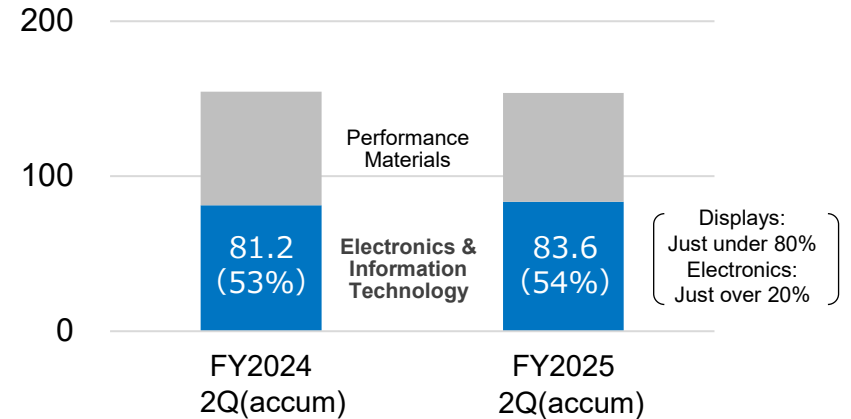
- Progress in price revisions
 - Demand remained strong in the 1st half of FY2025, but inventories were depleted, resulting in a decline in sales volume
- **Sales: Decrease compared to the previous year**

Electronics

- Robust demand was driven mainly by products for semiconductors and data centers
 - Other products have shown a gradual recovery
- **Sales: Increase compared to the previous year**

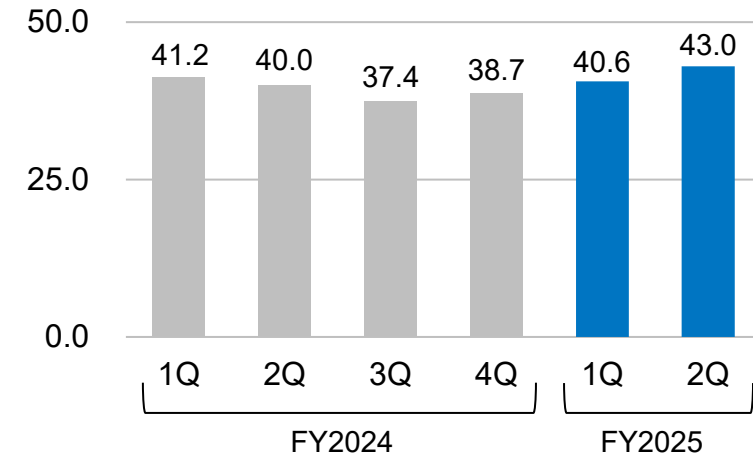
■ Sales trends

(Billions of JPY)



■ Quarterly Sales Trends

(Billions of JPY)



Composites

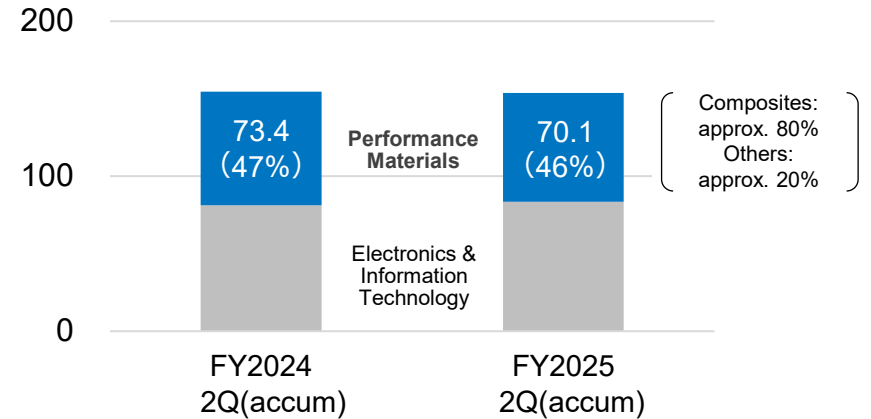
- Demand remained sluggish due to the continued intense competitive environment
- Decision to suspend operations of UK subsidiary in June
→ **Sales: Decrease compared to the previous year**

Medical Care, Heat-Resistance, Buildings

- Medical Care and Buildings: Recovery in sales volume and revision of sales prices
→ **Sales: Increase compared to the previous year**
- Heat-Resistance: Week demand continues
→ **Sales: Decrease compared to the previous year**

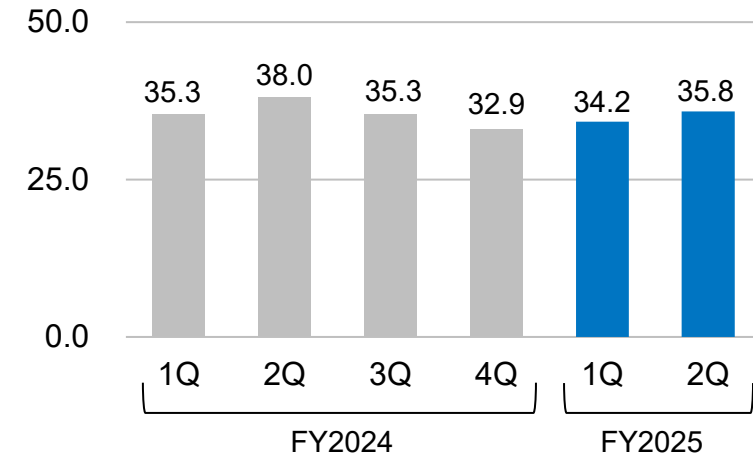
■ Sales trends

(Billions of JPY)



■ Quarterly Sales Trends

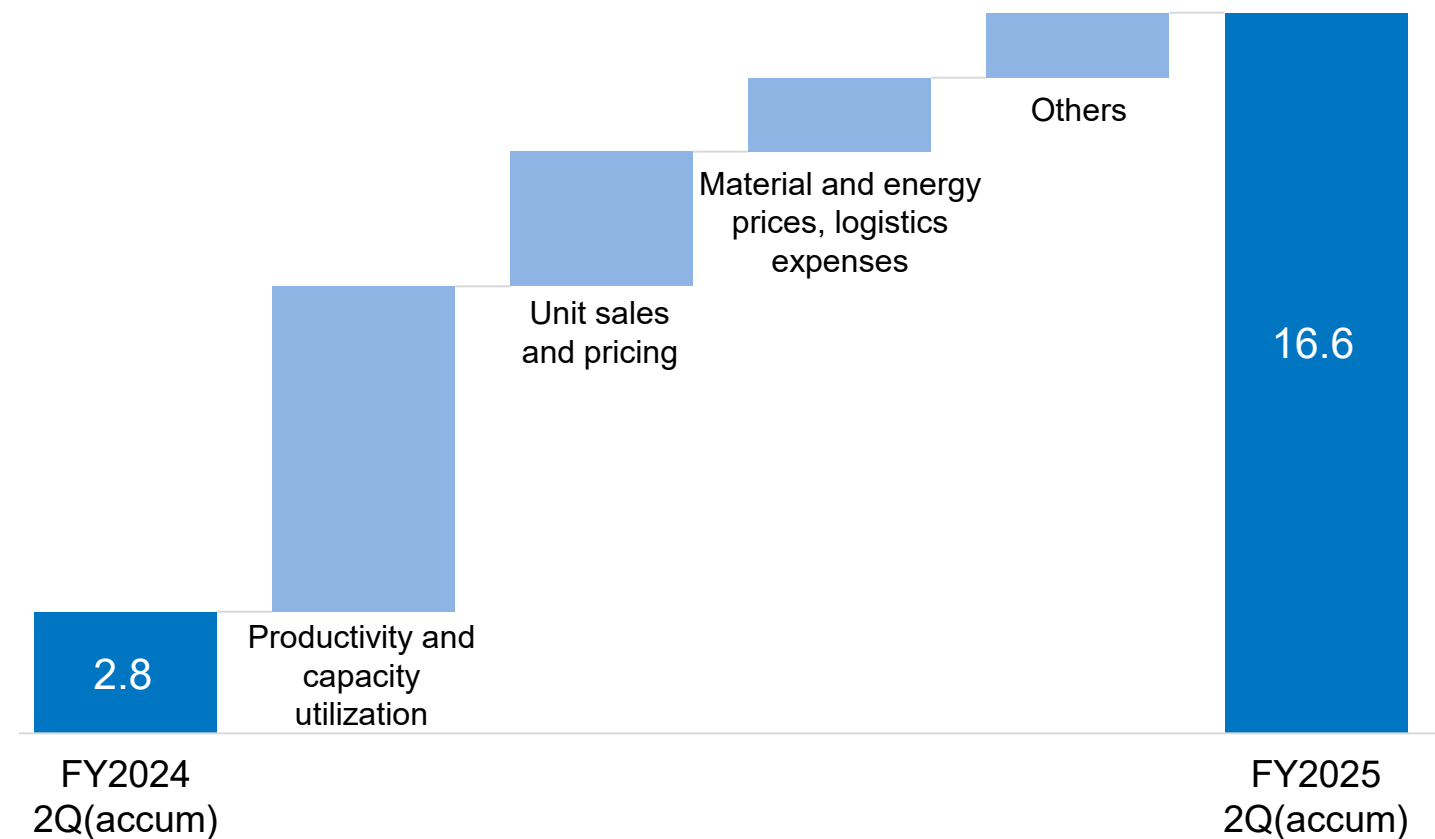
(Billions of JPY)



Analysis of Changes in Operation Profit (vs. 2Q(accum) of FY2024)



(Billions of JPY)



Key factors

Increase

- Improved productivity
- Increase in sales prices for displays business, etc.
- Increase in sales of electronics business
- Decrease in logistics costs

Decrease

- Decrease in sales volume of displays business

Earnings Forecasts and Dividends Forecasts of FY2025

Forecasts of FY2025

FY2025

(Billions of JPY)

	2Q (accum)	Full year	For reference	
			FY2024	Change
Net sales	153.7	310.0	299.2	3.6%
Operation profit	16.6	27.0	6.1	341.1%
Operation margin	10.8%	8.7%	2.0%	-
Ordinary profit	14.2	24.0	12.4	93.3%
Profit attributable to owners of parent	10.0	17.0	12.0	40.6%
Dividend forecast (JPY/share)	Interim 70	Full year 145	Full year 130	-

Economic outlook

- The direct impact US tariffs on the Group's business performance is immaterial
- However, these measures may cause a downturn in the global economy, and a decrease in demand for finished products may depress demand for the Group's products

*The full-year forecast does not take into account the indirect impact of US tariffs.

Assumption

1USD = 145JPY

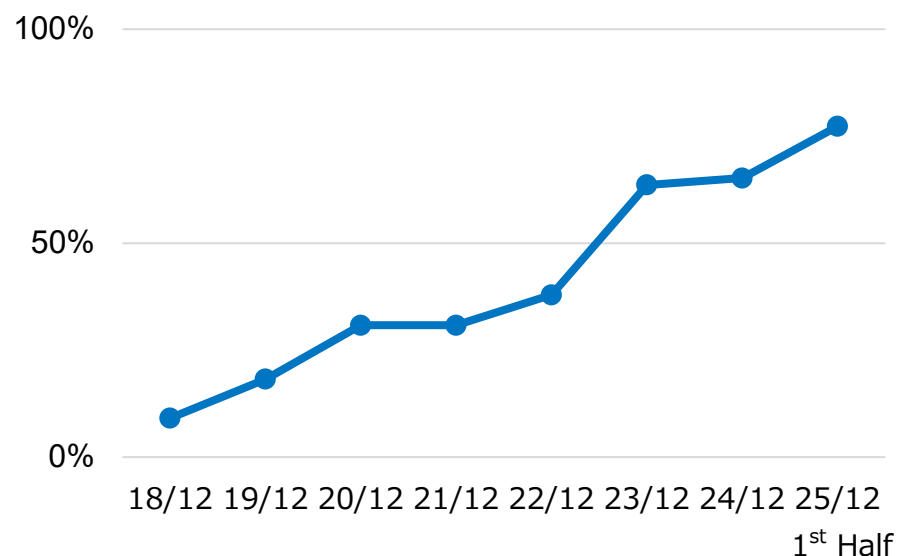
1EUR = 160JPY

2nd Half

- Although there are signs of inventory adjustments among our customers, we expect demand to remain firm
- We will switch to all-electric melting furnaces and carry out regular maintenance to improve productivity, thereby strengthening our supply system

■ Progress of EGP2028 Initiatives

- Progress in conversion to all-electric melting furnaces



※Only displays business

- Expand applications for Dinorex UTG™ ultra-thin glass

Adopted by Xiaomi following Motorola (razr 50/razr 60 series)

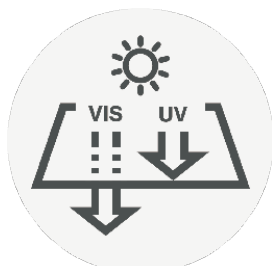


Xiaomi MIX Flip 2

Actively developing new products that leverage overflow technology cultivated in the display field

Ultra-thin cover glass for solar panels of artificial satellite

Contributing to longer life and lighter weight for artificial satellites, adoption progressing



UV Shielding
properties



Light-weight



Ultra-thin glass for perovskite solar cells

Development utilizing the characteristics of glass is underway

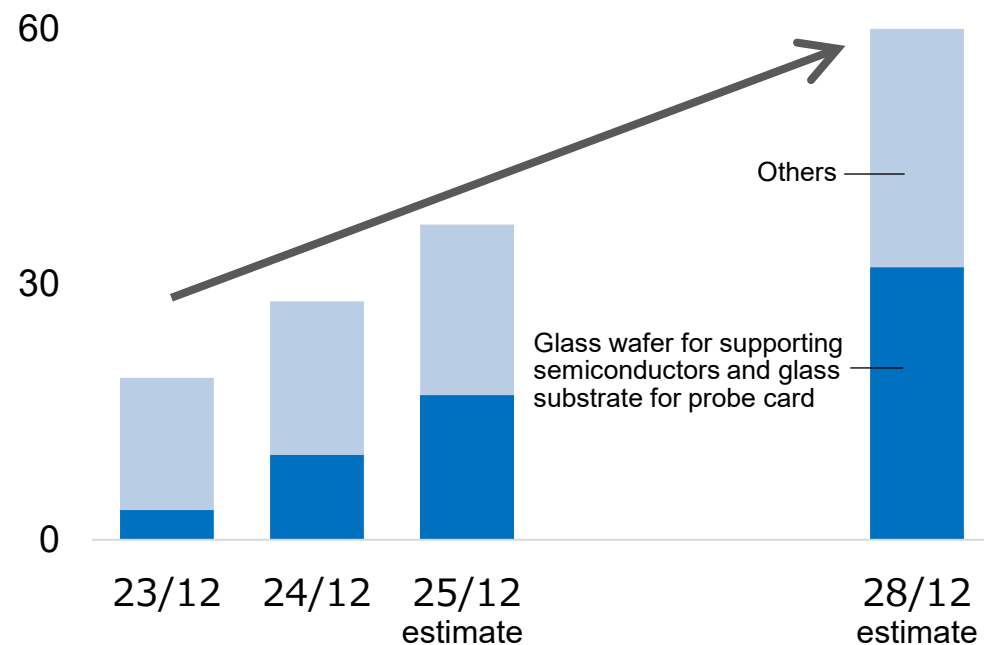


2nd Half

- Continued sales growth mainly in glass wafer for supporting semiconductors and optoelectronics related products
- Home appliances and automotive-related products continue to see a gradual recovery
- Expanding the lineup of inorganic core substrates → Strengthening efforts toward full-scale business development

■ Estimated sales of electronic devices business

(Billions of JPY)



■ Inorganic core substrate business

GC Core™ (composite material of glass and ceramics)

Easy arrangement of substrate characteristics (electrical characteristics, expansion coefficient, etc.)

Glass core substrate (CO₂ laser processing)

Process shortening, high-speed machining

Glass core substrate (laser modification/etching)

Compatible with small hole diameter and narrow pitch TGV

(Strength)

Technology for designing glass materials

×

Diverse processing technologies

⇒ Aiming for commercialization around 2028

2nd Half

- Tough competition with Chinese companies is still going strong. It will take some time for recovery in demand
- Continuing efforts to improve profitability

■ Strategic review of UK operations

“Notice to Cease Operation of a Subsidiary in the UK Due to Structural Reform of the Composites Business” (June 18)

The UK site stopped production at the end of June 2025, and proceed with preparations for voluntary liquidation, including the arrangement of its claims and debts.

【Initiatives to improve earnings】

● Improvement in production efficiency

- We will reduce energy costs and improve production efficiency by raising the ratio of electrical melting
- We will increase production volume per facility through improvements in spinning equipment

⇒ **We will strive to reduce manufacturing costs**

● Regional Business Strategy

Japan:

Expansion of high value-added products

* Expansion of flat glass fiber sales

* Development of high-performance glass fibers for electronic materials

Malaysia:

Strengthening production of products for automotive applications by leveraging production scale

United States:

Strengthening production for housing facilities

Profitability improvement efforts are ongoing, leveraging operations across Japan, Malaysia, and the United States.

2nd Half

Overall demand is expected to remain at the same level as the first half of the fiscal year

- **Medical Care:** Expansion of sales in Europe, the US, India, and other markets
Preparations for the introduction of all-electric melting technology
(In Malaysia, scheduled to start operations in 1Q, FY2026)
- **Heat-Resistance:** Slow recovery for stove windows. Strengthening overseas sales of products for cooktop plates
- **Buildings:** Strengthening efforts to take orders for large-scale projects

Effectiveness of all-electric melting furnaces

Gas-fired furnace

Lot of exhaust gas and exhaust heat from combustion



CO₂ emissions from combustion: **A lot**

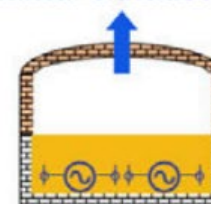
Energy loss due to exhaust gas: **Large**

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

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

All-electric melting furnaces

Exhaust gas only from raw material, minimal exhaust heat



CO₂ emissions from combustion: **None**

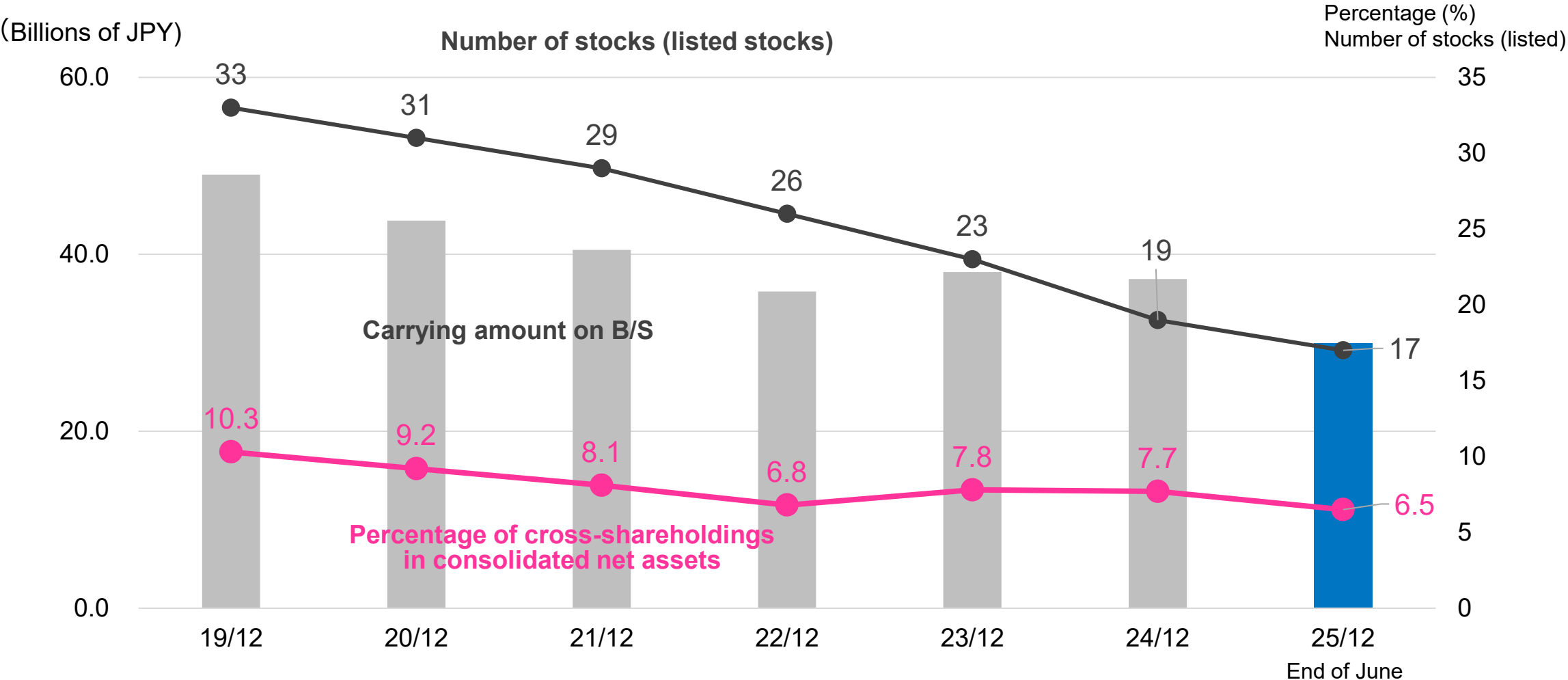
Energy loss due to exhaust gas: **Small**

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



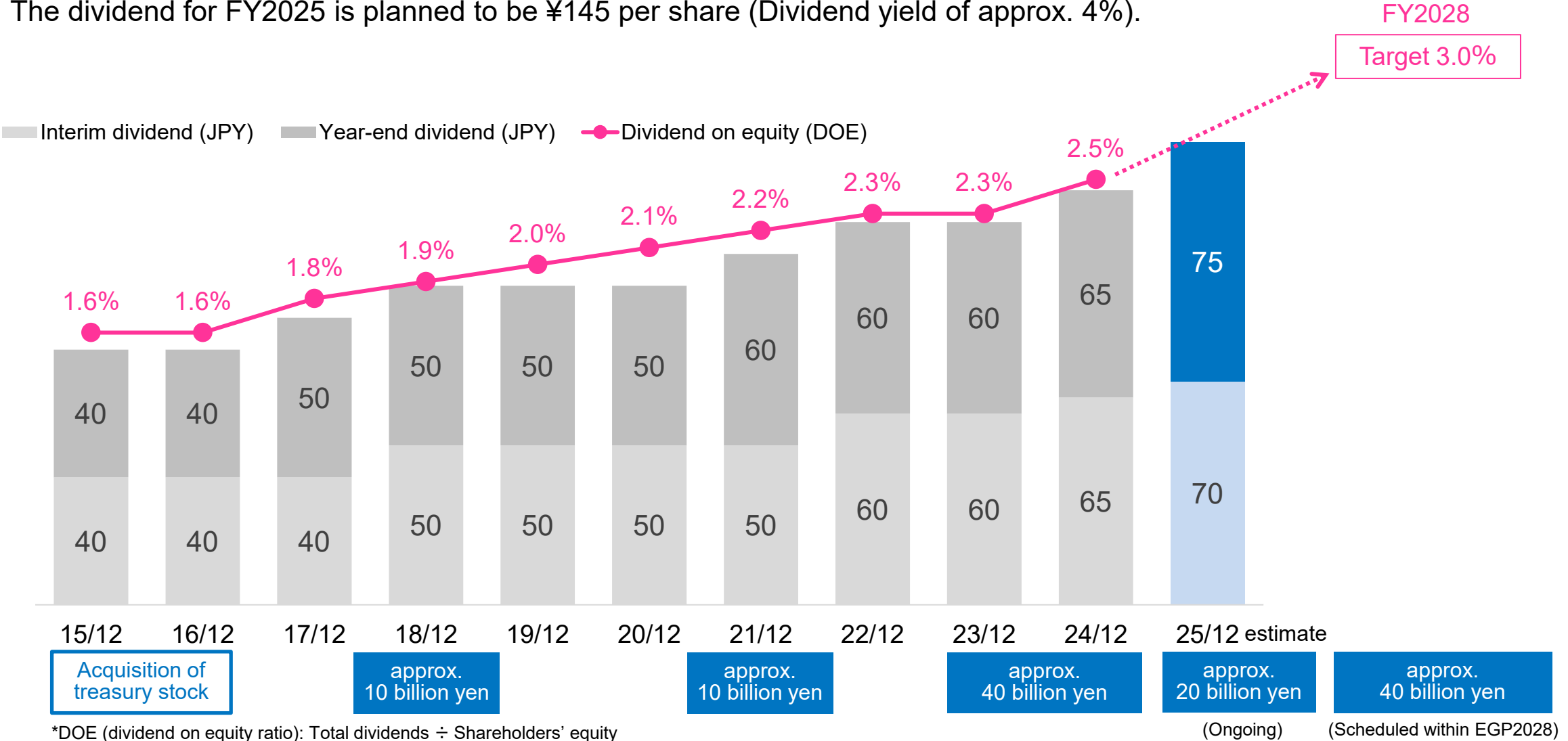
Reduction of Cross-shareholdings

- Verify appropriateness of holding the shares from the perspective of increasing corporate value
- All shares of two stocks and some of one stock sold in the first half of FY2025



Shareholder Returns

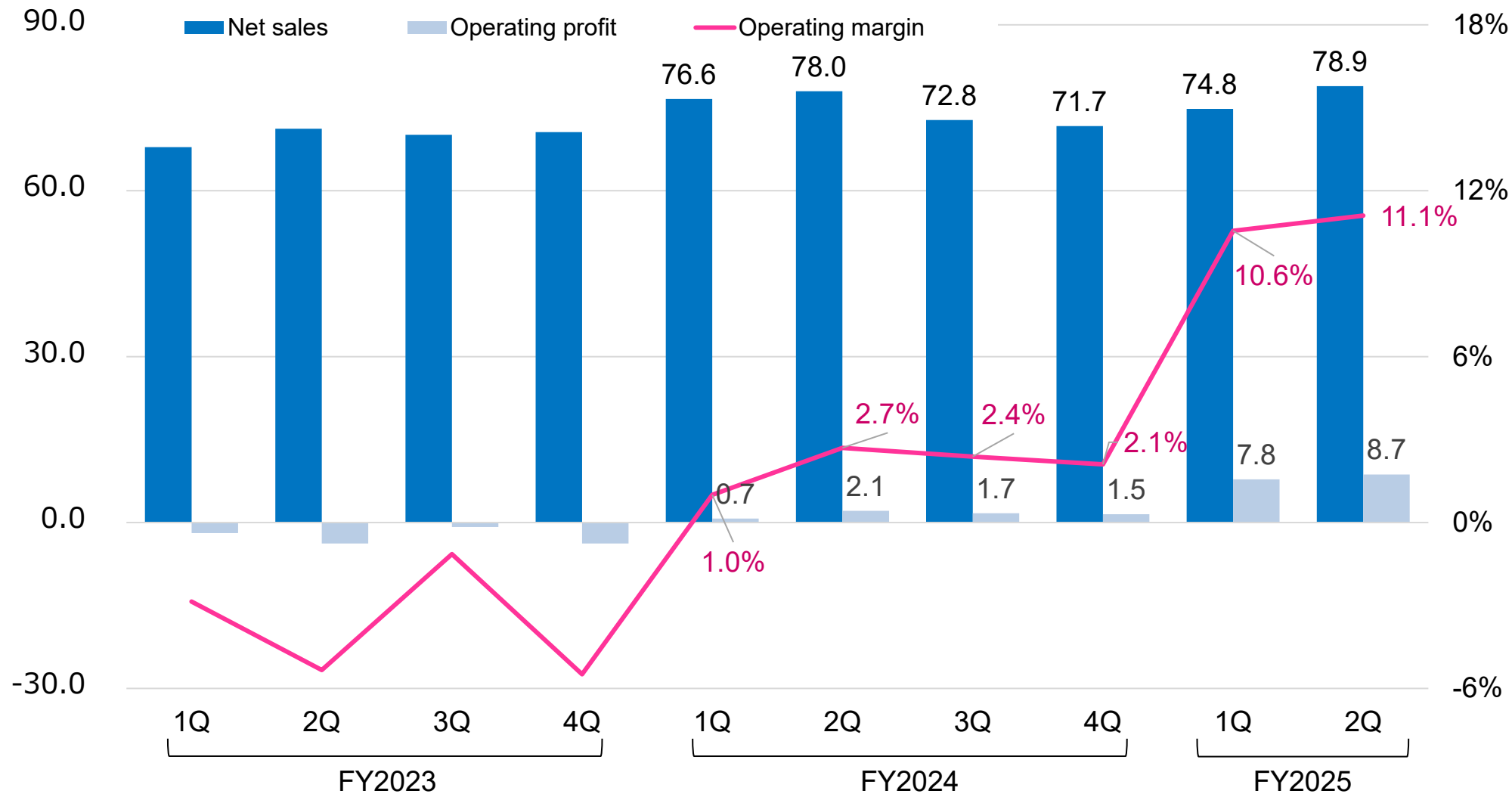
- Maintained or increased dividends for over 20 years without dividend decrease
- The dividend for FY2025 is planned to be ¥145 per share (Dividend yield of approx. 4%).



Reference Material

Trend of Quarterly Results

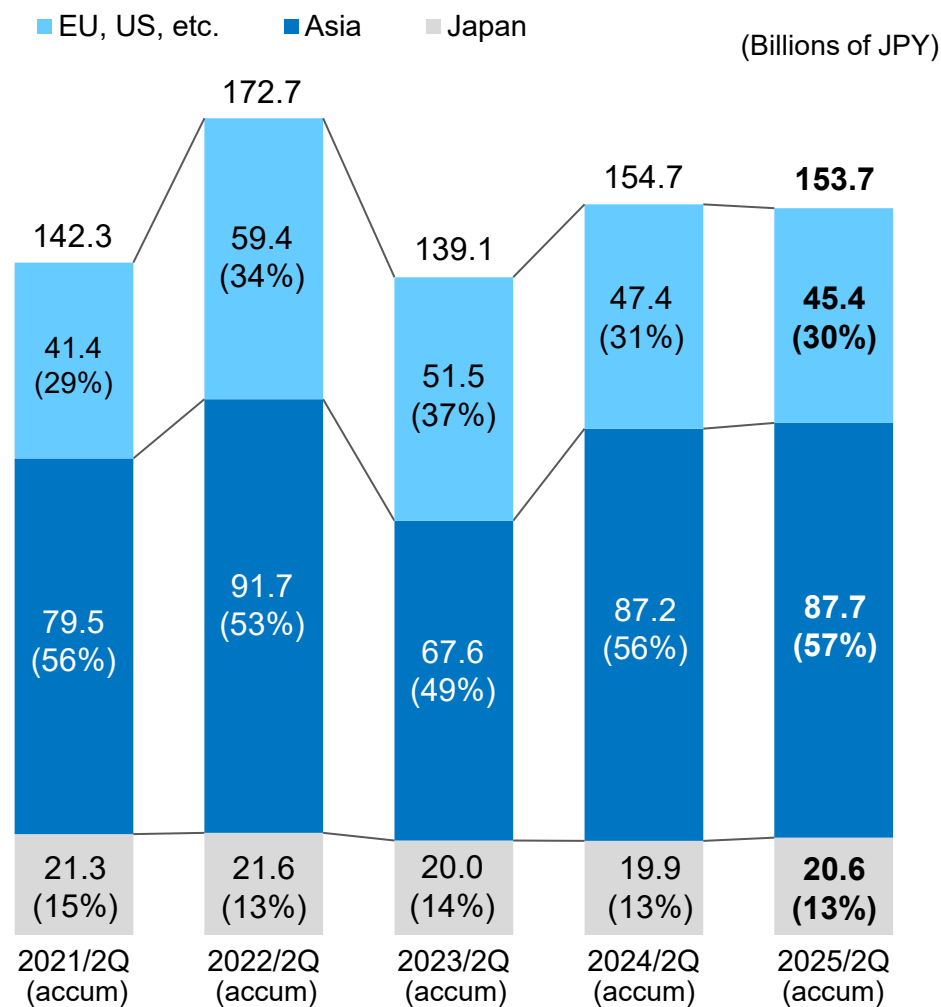
(Billions of JPY)



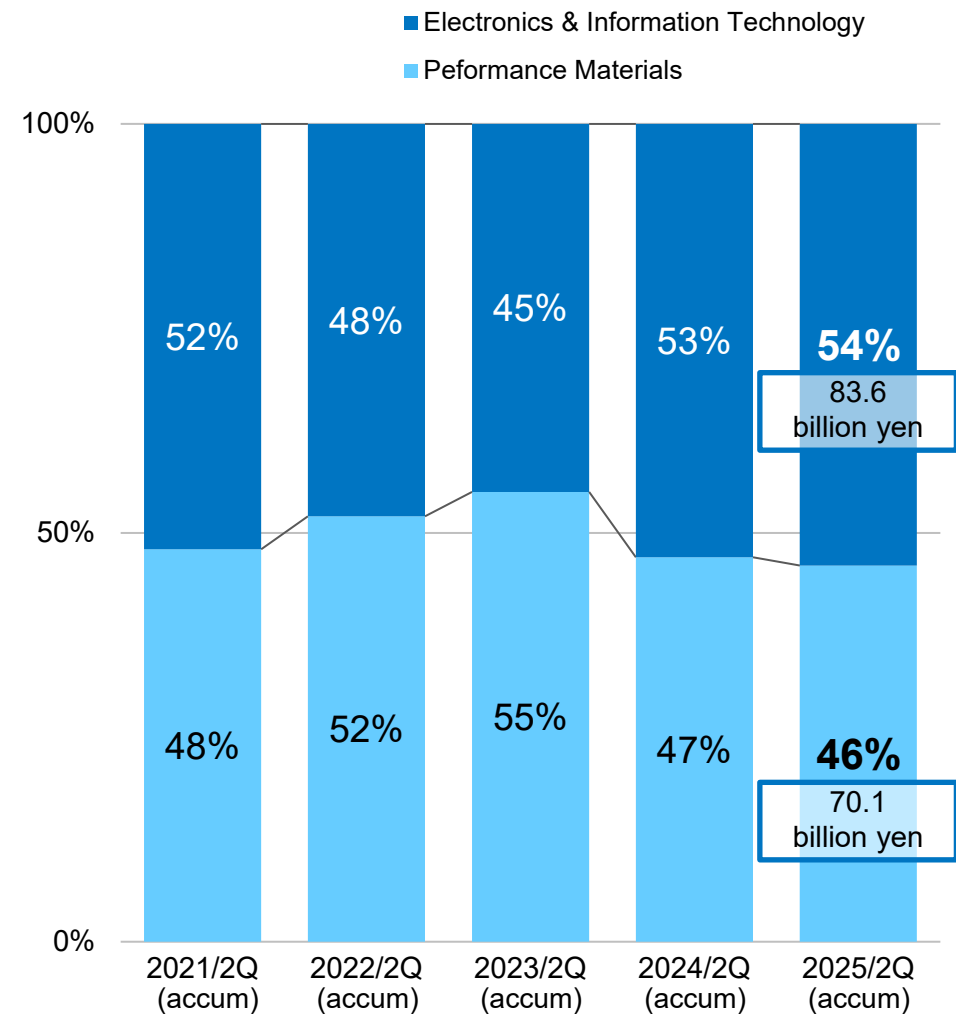
Trend of Sales by Region / Business



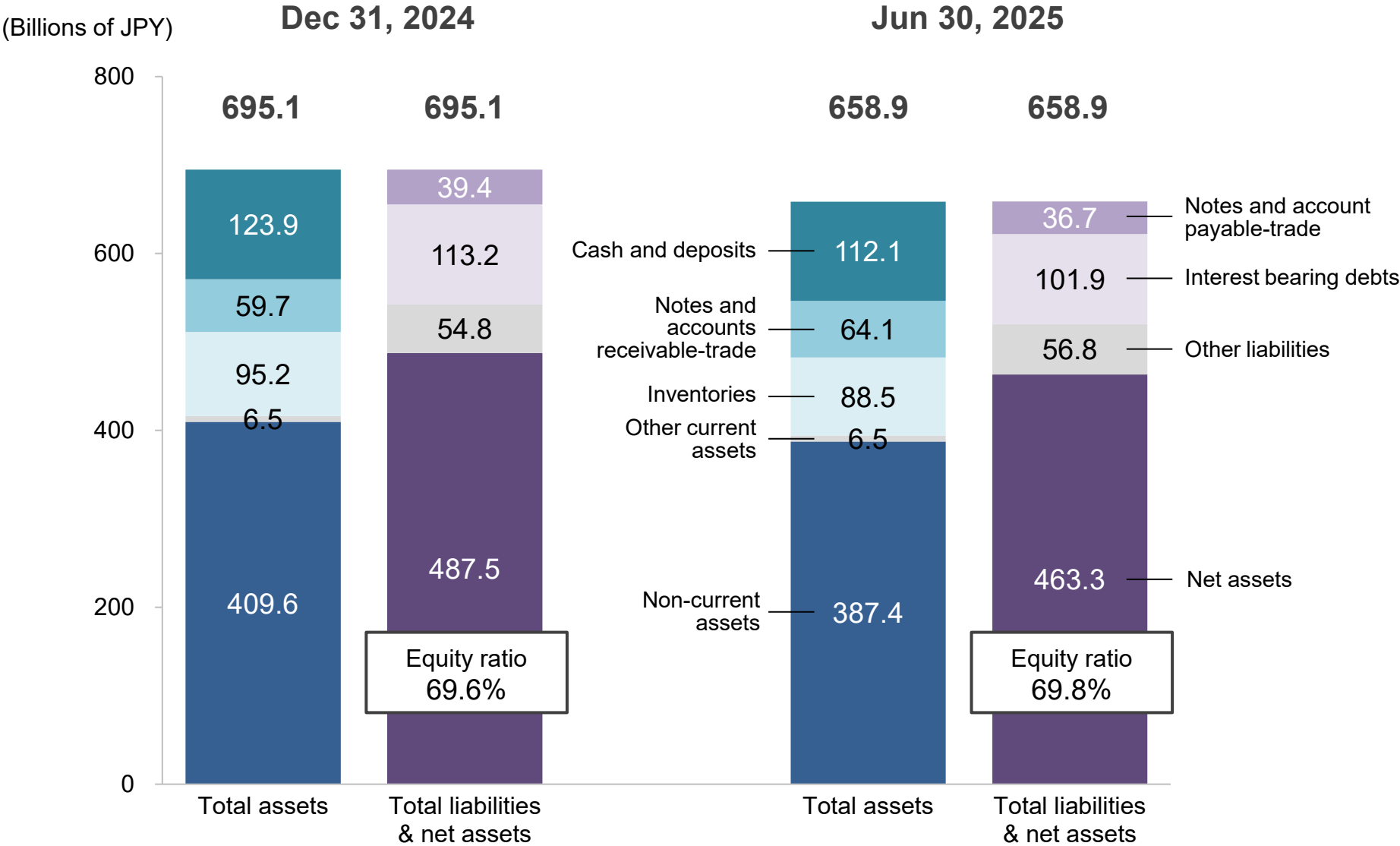
■ Trend of sales by region



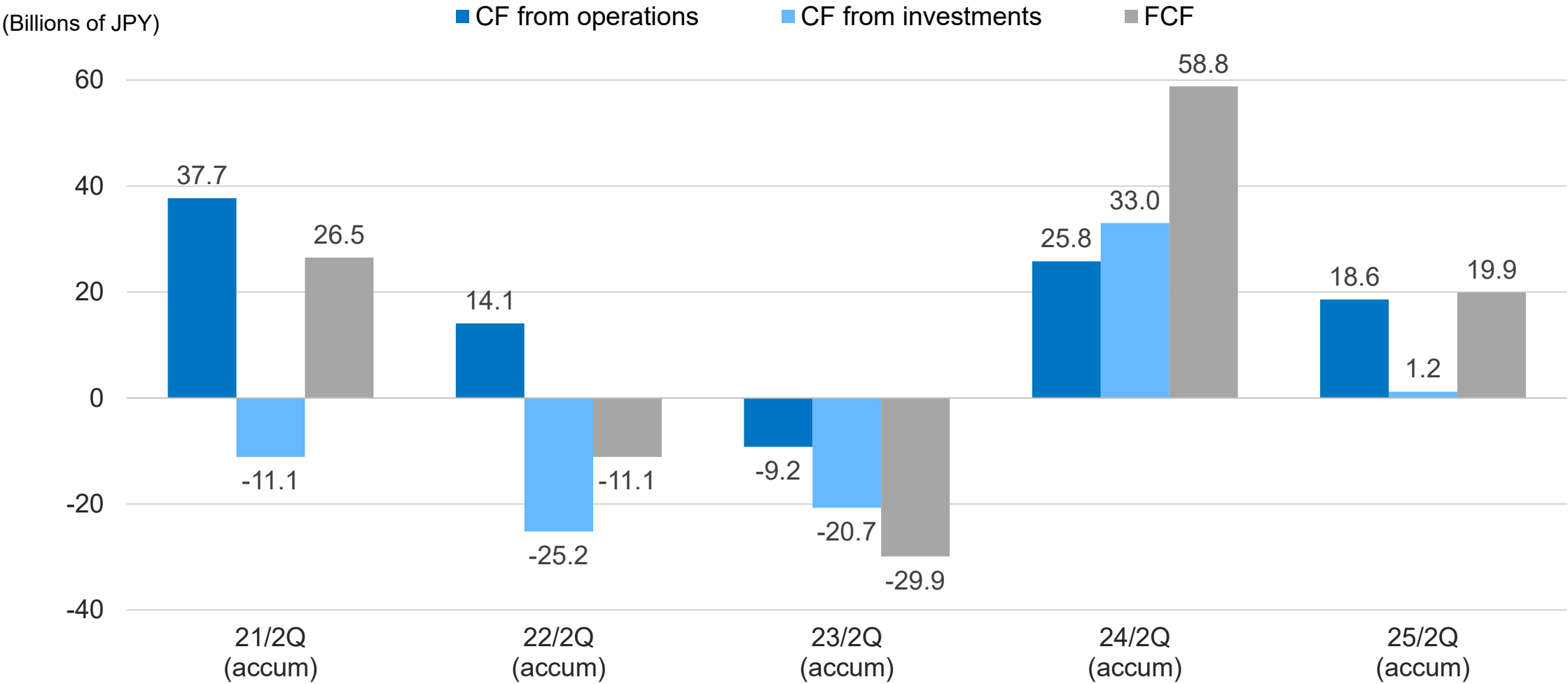
■ Trend of sales by business



Consolidated Balance Sheet



Cash Flows



CAPEX and Depreciation

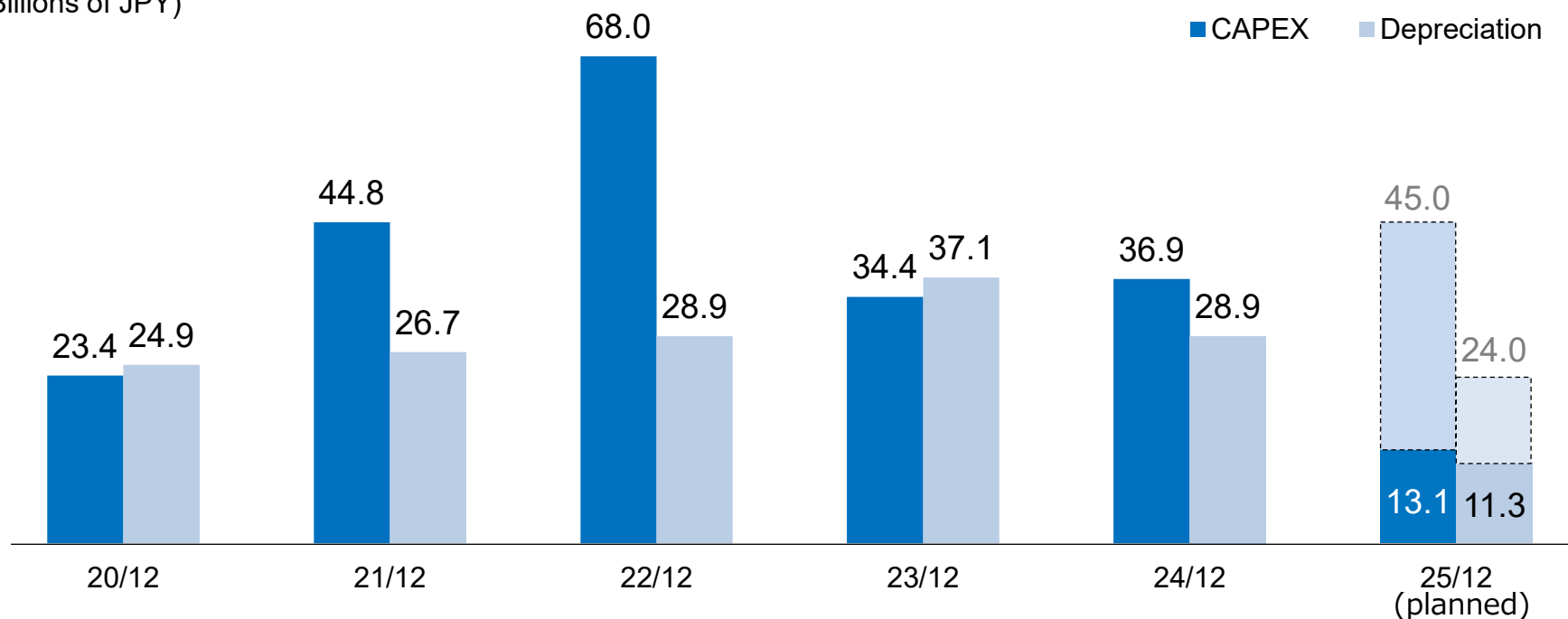
CAPEX

- Planned approx. ¥45 billion in FY 2025
Electronics...Capacity expansion of glass wafer for supporting semiconductors, etc.
Displays...Development of all-electric melting technology, capacity expansion productivity improvement, etc.
In addition to the above, process development, automation support, periodic repairs, etc.

Depreciation

- Planned approx. ¥24 billion in FY2025

(Billions of JPY)



Main Business

Electronics & Information Technology

Displays	Glass for LCDs
	Glass for OLED Displays
	Specialty Glass for Chemical Strengthening Dinorex™

Electronics	Glass for Semiconductor Process
	LTCC Products
	Functional Powder Glass
	Sheet Glass for Image Sensors
	Glass Tube for Small Electronic Products
	Glass for Optoelectronics
	Phosphor-Glass Composites Lumiphous™

Performance Materials

Composites	Chopped Strands for Function Plastic Reinforcement
	Wet Chopped Strands for Building Materials
	Roving for Plastics Reinforcement
	Chopped Strand Mats for Automobiles
	Alkali-Resistant Glass Fiber for Cement Reinforcement WizARG™

Medical Care	Glass Tubing for Pharmaceutical and Medical Use
	Radiation-Shielding Glass LX premium

Heat-Resistance	Super Heat-Resistant Glass-Ceramics Neoceram
	Super Heat-Resistant Glass-Ceramics for Cooking Appliance Top Plates StellaShine®

Buildings	Fire-Rated Glass FireLite™
	Glass Blocks
	Glass-Ceramic Building Materials Neopariés™

Others	Glass for Lighting Use
	Glass Making Machinery

Corporate Information

Name:	Nippon Electric Glass Co.,Ltd.
Head Office:	7-1, Seiran 2-chome, Otsu, Shiga 520-8639, Japan
Founded:	Dec 1, 1949
Representative	Motoharu Matsumoto, Chairman of the Board Akira Kishimoto, President
Capital:	32.1 billion JPY
Employees:	5,328 (Group total as of Jun. 30, 2025)
Business:	Production and sales of special glass products, and manufacture and sales of glass making machinery
Plants:	Otsu, Shiga-Takatsuki, Notogawa, Precision Glass Center
Sales Office:	Osaka and Tokyo
Consolidated Companies	9 in Japan 14 overseas (Malaysia, Korea, China, Taiwan, Europe, US)

Note regarding 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 at the present moment and include risks and contingencies.
- ◆ Actual business results may differ substantially from the earnings forecasts due to a number of factors.

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Nippon Electric Glass