

## Translation

Notice: This English version is a translation of the original disclosure in Japanese released on July 29, 2024 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.

Member of the Financial Accounting Standards Foundation



MEMBERSHIP

July 29, 2024

# CONSOLIDATED FINANCIAL RESULTS for the Six Months Ended December 31, 2024 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**  
 Listing: Prime Market of the Tokyo Stock Exchange  
 Securities identification code: 5214  
 URL: <https://www.neg.co.jp/>  
 Representative: Akira Kishimoto, President and Representative Director  
 Inquiries: Mamoru Morii, Director and Senior Vice President  
 TEL: +81-77-537-1700 (from overseas)

Scheduled date to file semi-annual securities report: August 13, 2024  
 Scheduled date to commence dividend payments: August 30, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

## 1. Consolidated financial results for the six months ended December 31, 2024 (From January 1, 2024 to June 30, 2024)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended		%		%		%		%
June 30, 2024	154,717	11.2	2,875	-	10,276	-	30,202	-
June 30, 2023	139,178	(19.4)	(5,742)	-	(3,066)	-	(15,711)	-

Note: Comprehensive income:

For the six months ended June 30, 2024: 53,964 million yen [ -%]

For the six months ended June 30, 2023: (5,105) million yen [ -%]

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
June 30, 2024	347.08	-
June 30, 2023	(168.85)	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of			%
June 30, 2024	747,328	530,659	70.6
December 31, 2023	703,917	490,130	69.2

Reference: Equity:

As of June 30, 2024: 527,379 million yen

As of December 31, 2023: 487,045 million yen

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
For the year ended December 31, 2023	-	60.00	-	60.00	120.00
For the year ending December 31, 2024	-	65.00	—	—	—
For the year ending December 31, 2024 (Forecasts)	—	—	-	65.00	130.00

Note: Revision of the forecasts of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the year ending December 31, 2024 (From January 1, 2024 to December 31, 2024)

(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, 2024	310,000	10.7	5,000	-	10,000	-	30,000	-	346.44

Note: 1. Revision of the forecasts most recently announced: Yes

2. For the revision to consolidated earnings forecasts, please refer to “Notice Concerning Recording of a Gain on Sale of Non-Current Assets as Extraordinary Income, Difference Between Forecasts and 1H Results, and Revision of Forecasts for FY 2024” which was announced today (July 29, 2024).

**\* Notes**

- (1) **Significant changes in the scope of consolidation during the period:** None
- (2) **Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:** Yes
- (3) **Changes in accounting policies, changes in accounting estimates, and restatement**
- A. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - B. Changes in accounting policies due to other reasons: None
  - C. Changes in accounting estimates: None
  - D. Restatement: None

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

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

As of June 30, 2024	99,523,246 shares
As of December 31, 2023	99,523,246 shares

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

As of June 30, 2024	12,927,246 shares
As of December 31, 2023	10,378,386 shares

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

For the six months ended June 30, 2024	87,018,758 shares
For the six months ended June 30, 2023	93,048,064 shares

\* Semi-annual financial results reports are exempt from review conducted by certified Public accountants or an audit firm.

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

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 Six Months” on page 5.

## Qualitative Information Regarding Consolidated Results for the Six Months

### (1) Information regarding operating results (Six months ended June 30, 2024)

#### A. Overview

Net sales for the first six months of the fiscal year (from January 1 to June 30, 2024) were higher than those of the same period of the previous fiscal year (from January 1 to June 30, 2023).

In terms of profit/loss, operating profit, ordinary profit, and profit attributable to owners of parent all turned to profitability.

#### B. Operating results

(Billions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Change (%)
Net sales	139.1	154.7	11
Operating profit (loss)	(5.7)	2.8	-
Ordinary profit (loss)	(3.0)	10.2	-
Profit (loss) attributable to owners of parent	(15.7)	30.2	-

Note: Amounts less than 100 million yen are omitted.

#### (Sales by products)

Reporting segment	Segment	Six months ended June 30, 2023		Six months ended June 30, 2024		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Electronics and Information Technology	62.8	45	81.2	53	18.4	29
	Performance Materials	76.3	55	73.4	47	(2.8)	(4)
Total		139.1	100	154.7	100	15.5	11

Note: Amounts less than 100 million yen are omitted.

#### Electronics and Information Technology:

In the displays business, net sales were higher than those of the same period of the previous fiscal year, due to an increase in shipments from the recovery in market conditions and increases in selling prices. In the electronics business, net sales were higher than those of the same period of the previous fiscal year due to strong demand for products for semiconductors, as well as a moderate recovery in demand for other products.

#### Performance Materials:

In the composites business, despite a gradual recovery in product demand, mainly for high-performance resin used in auto parts, net sales were lower than those of the same period of the previous fiscal year due to the continuation of the challenging competitive environment. In the medical care business, demand was sluggish, and net sales remained at the same level as those of the same period of the previous fiscal year. In the heat-resistance business, soft demand for products led to net sales being lower than those of the same period of the previous fiscal year. In the buildings business, strong demand for products led to net sales that were higher than those of the same period of the previous fiscal year.

(Profit/loss)

Although persistently high prices for raw materials and energy, together with soaring distribution expenses, resulted in a rise in manufacturing costs, manufacturing cost reductions, mainly due to higher capacity utilization rates in the displays business, had an effect. In addition, favorable sales of products for semiconductors resulted in the recording of an operating profit (operating loss in the same period of the previous fiscal year). As well as operating profit, non-operating income included foreign exchange gains attributable to revaluation of receivables and payables related to borrowings by overseas subsidiaries, which boosted ordinary profit (ordinary loss in the same period of the previous fiscal year). In addition, in the same period of the previous fiscal year the recording of large amounts of business restructuring expenses resulted in a loss attributable to owners of parents. For the first six months of this fiscal year, a profit attributable to owners of parents was recorded due to such factors as the disposal of non-core assets and reduction of cross-shareholdings in line with the Medium-term Business Plan “EGP2028,” and the recording of a gain on sale of non-current assets and a gain on sale of investment securities as extraordinary income.

**(2) Information regarding consolidated earnings forecasts and other forward-looking statements  
(Consolidated earnings forecasts for the year ending December 31, 2024)**

(Billions of yen)

	Year ending December 31, 2024 (From January 1, 2024 to December 31, 2024)		Change (B – A)	Percent change (%)
	Previous forecasts (A)	Revised forecasts (B)		
Net sales	310.0	310.0	-	-
Operating profit	16.0	5.0	(11.0)	(69)
Ordinary profit	16.0	10.0	(6.0)	(38)
Profit attributable to owners of parent	27.0	30.0	3.0	11

Note: Amounts less than 100 million yen are omitted.

Costs associated with raw materials, energy, and distribution are rising against the backdrop of heightened geopolitical risks in the Middle East and elsewhere. We forecast that economic slowdowns in China and other countries, continued high interest rates in Europe and the US, and the greater than initially expected impact of the weaker yen will result in an even more challenging business environment.

In terms of sales, in the Electronics and Information Technology segment we expect the displays business to continue to experience firm demand despite signs of inventory adjustments at customers, mainly in the Chinese market. In the electronics business, we will continue to increase production capacity, and meet strong demand for products for semiconductors. In the Performance Materials segment, we expect demand in the composites business to remain at the level of the six months ended June 30, 2024. We are working to build the optimal product mix for the market and the competitive environment. In the medical care, heat-resistance, and buildings businesses we expect demand to remain stable.

In terms of profit/loss, in tandem with the stronger than initially expected trend towards the weaker yen, high prices for raw material and energy are putting pressure on operating profit. Furthermore, an increase in expenses associated with repairs in the displays business, and a rise in distribution expenses in the composites business is expected to put profits under still more pressure. On the other hand, expanded sales of products for semiconductors are expected to contribute to operating profit. We will continue our efforts to add to operating profits through revisions to selling prices and improvements in productivity.

In light of the consolidated financial results for the first six months of the fiscal year and the outlook previously described, we have revised our full-year consolidated earnings forecasts for the fiscal year ending December 31, 2024, which was announced on February 5, 2024, as shown in the table above.

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.

## Consolidated financial statements

### (1) Consolidated balance sheet

	(Millions of yen)	
	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	75,401	119,551
Notes and accounts receivable - trade, and contract assets	58,165	66,958
Electronically recorded monetary claims - operating	1,437	1,042
Merchandise and finished goods	62,840	51,562
Work in process	906	1,040
Raw materials and supplies	43,755	44,138
Other	10,856	7,105
Allowance for doubtful accounts	(259)	(222)
Total current assets	253,104	291,176
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,588	73,944
Machinery, equipment and vehicles, net	287,181	291,988
Other, net	41,197	34,001
Total property, plant and equipment	392,968	399,934
Intangible assets	4,996	5,395
Investments and other assets		
Other	61,104	59,777
Allowance for doubtful accounts	(8,257)	(8,956)
Total investments and other assets	52,847	50,821
Total non-current assets	450,812	456,152
Total assets	703,917	747,328

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	43,169	38,787
Short-term borrowings	32,505	46,712
Income taxes payable	1,046	9,433
Other provisions	70	47
Other	32,250	34,855
Total current liabilities	109,042	129,836
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	65,838	49,042
Provision for special repairs	6,223	6,232
Other provisions	129	1
Retirement benefit liability	1,399	1,549
Other	11,154	10,005
Total non-current liabilities	104,744	86,831
Total liabilities	213,786	216,668
<b>Net assets</b>		
Shareholders' equity		
Share capital	32,155	32,155
Capital surplus	34,273	34,260
Retained earnings	409,910	434,763
Treasury shares	(31,932)	(40,006)
Total shareholders' equity	444,407	461,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,785	15,746
Deferred gains or losses on hedges	38	(122)
Foreign currency translation adjustment	25,814	50,581
Total accumulated other comprehensive income	42,638	66,205
Non-controlling interests	3,084	3,279
Total net assets	490,130	530,659
Total liabilities and net assets	703,917	747,328



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

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	139,178	154,717
Cost of sales	123,125	126,867
Gross profit	16,053	27,849
Selling, general and administrative expenses	21,795	24,974
Operating profit (loss)	(5,742)	2,875
Non-operating income		
Interest income	348	423
Dividend income	936	918
Foreign exchange gains	2,602	6,061
Other	1,633	1,515
Total non-operating income	5,520	8,918
Non-operating expenses		
Interest expenses	452	539
Depreciation of inactive non-current assets	655	322
Other	1,736	657
Total non-operating expenses	2,844	1,518
Ordinary profit (loss)	(3,066)	10,276
Extraordinary income		
Gain on sale of non-current assets	—	22,886
Gain on sale of investment securities	1,054	8,713
Insurance claim income	3,041	—
Reversal of provision for special repairs	2,498	—
Other	129	2
Total extraordinary income	6,724	31,601
Extraordinary losses		
Business restructuring expenses	17,504	529
Loss on retirement of non-current assets	148	167
Impairment losses	91	—
Total extraordinary losses	17,744	696
Profit (loss) before income taxes	(14,086)	41,181
Income taxes	1,678	10,783
Profit (loss)	(15,764)	30,397
Profit (loss) attributable to non-controlling interests	(53)	195
Profit (loss) attributable to owners of parent	(15,711)	30,202

## Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit (loss)	(15,764)	30,397
Other comprehensive income		
Valuation difference on available-for-sale securities	2,826	(1,039)
Deferred gains or losses on hedges	(940)	(161)
Foreign currency translation adjustment	8,609	24,281
Share of other comprehensive income of entities accounted for using equity method	163	485
Total other comprehensive income	10,659	23,567
Comprehensive income	(5,105)	53,964
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,051)	53,769
Comprehensive income attributable to non-controlling interests	(53)	195

**(3) Consolidated statement of cash flows (cumulative)**

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(14,086)	41,181
Depreciation	20,979	14,276
Impairment losses	10,197	—
Loss (gain) on sale of investment securities	(1,054)	(8,713)
Loss (gain) on sale of non-current assets	(143)	(23,000)
Increase (decrease) in provision for special repairs	(2,463)	9
Foreign exchange losses (gains)	(3,624)	(6,683)
Decrease (increase) in trade receivables and contract assets	(2,455)	(3,134)
Decrease (increase) in inventories	(7,003)	15,983
Increase (decrease) in trade payables	(11,873)	(8,750)
Income taxes paid	(1,325)	(1,557)
Other, net	3,615	6,235
Net cash provided by (used in) operating activities	(9,236)	25,847
Cash flows from investing activities		
Proceeds from sale of investment securities	1,286	9,937
Purchase of non-current assets	(19,842)	(11,163)
Proceeds from sale of non-current assets	121	34,436
Other, net	(2,294)	(173)
Net cash provided by (used in) investing activities	(20,728)	33,037
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,088	(3,926)
Proceeds from long-term borrowings	10,000	4,379
Repayments of long-term borrowings	(4,815)	(4,788)
Purchase of treasury shares	(0)	(8,103)
Dividends paid	(5,581)	(5,345)
Repayments to non-controlling shareholders	(1,385)	—
Other, net	(508)	(566)
Net cash provided by (used in) financing activities	5,797	(18,350)
Effect of exchange rate change on cash and cash equivalents	2,042	3,572
Net increase (decrease) in cash and cash equivalents	(22,126)	44,106
Cash and cash equivalents at beginning of period	106,862	75,083
Cash and cash equivalents at end of period	84,736	119,189