Nippon Electric Glass Co., Ltd.

Key Points of the Q&A Session at the Investor Meeting for the Third Quarter of FY2026

(Friday, October 30, 2026; Conference Call)

Q1. Please explain the main factors behind the changes in net sales and operating profit in the third quarter compared with the second quarter.

A1. Net sales decreased significantly. It was due to the suspension of production operations and the sales of our U.S. subsidiary in the composites business, which we announced on July 6. In addition, sales volume in the display business decreased because panel manufacturers adjusted their production. As we mentioned during the second quarter earnings briefing, regarding operating profits in the third quarter, costs related to the conversion of all electric melting facilities and periodic repairs in the displays business have increased compared to previous quarters. In addition, costs in the displays business rose due to weak yen. Prices for energy and other items did not rise as much as anticipated.

Q2. Was operating profit in the third quarter in line with expectations?

A2. Operating profit exceeded expectations in each business segment. In the displays business, costs did not rise as much as previously anticipated. In the electronics business, operating profit increased, supported by firm sales. In the performance materials segment, various improvement measures were beginning to yield results.

Q3. Regarding the electronics business, you explained that recent shipments of glass wafer for supporting semiconductors have been firm. Please provide the situation with other products. Also, could you please explain the progress of low dielectric glass fiber?

A3. Demand for Information and Communications applications remains firm. In particular, demand for microcapillaries has exceeded our initial expectations. Therefore, we were making capital investments and operating at full capacity. The start of mass-production sales of low dielectric glass fiber is slightly behind original schedule. Mass-production and sales of D2 fiber are expected to begin in the second quarter of FY2027.

Q4. I got the impression that full-year operating profit might exceed the forecast. Please provide the company’s view.

A4. Sales volume in the displays business for the fourth quarter is expected to decrease compared to the third quarter. In the composites business, energy costs are expected to rise at our Malaysian subsidiary. Our performance may vary depending on the extent of these impacts. However, we believe we can achieve our full-year operating profit forecast of 20 billion yen.

Q5. Could you please provide your outlook for operating profits in FY2027?

A5. We are currently preparing the budget for the next fiscal year and therefore cannot provide specific figures at this time. However, looking at each business segment, we are negotiating price increases in the displays business. Demand in the electronics business is expected to remain firm. In the composites business, we believe to see the benefits of the business restructuring implemented this fiscal year. On the other hand, rising energy costs and exchanges rate fluctuations are risk factors. Taking these factors into account, we are optimistic about business performance in the next fiscal year.

* 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.