Financial Results for 2Q of the Year Ending December 31, 2026

August 3, 2026

Nippon Electric Glass Co., Ltd.

(Contents)

Financial Results for 2Q of FY2026

Summary of 2Q Financial Results

(Billions of JPY)

	FY2026 1Q	FY2026 2Q	FY2026 2Q(accum)	FY2025 2Q(accum)	Change (%)
Net sales	75.1	81.3	156.4	153.7	1.7%
Operation profit (Operation margin)	6.4 8.6%	4.8 6.0%	11.3 7.3%	16.6 10.8%	(31.2%)
Non-operating income / expense	2.4	2.4	4.9	(2.4)	-
Ordinary profit	8.9	7.3	16.2	14.2	14.7%
Extraordinary income/loss	3.4	(8.5)	(5.1)	1.7	-
Profit attributable to owners of parent	8.3	(1.9)	4.6	10.0	(36.5%)
Earnings per share (JPY)	¥111.48	(¥26.01)	¥63.25	¥127.51	-
Dividends per share (JPY)	-	-	¥80	¥70	-

Main factors in the change

Operation profit

(+) Higher selling prices and increased sales volume in the displays business
(-) Increased costs associated with the conversion of all electric melting facilities and periodic repairs in the displays business
(-) Increased costs associated with the startup of glass manufacturing facilities for the medical care business
(-) Rising prices of raw materials and energy, etc.

Non-operation income/expenses

(+) Foreign exchange gains…primarily resulting from the revaluation of receivables and payables related to borrowings by overseas subsidiaries
FY2026 2Q (accum): Gain 3.0 billion yen
FY2025 2Q (accum): Loss (4.1) billion yen

Extraordinary income/loss

Recognition of business restructuring expenses…primarily related to structural reforms at a U.S. subsidiary

FY2026 2Q (accum): (12.9) billion yen

Structural Reforms in the Composites Business

Notice Regarding the Termination of Production Activities at the Shelby Plant and the Transfer of the Lexington Plant of Electric Glass Fiber America (EGFA) (Announced on July 6, 2026)

Background	• The business environment remains severe due to changes in the demand structure and intensified competition. • Implement business structural reforms to improve profitability and strengthen competitiveness • (Closure of an EGFA plant and termination of productions of subsidiaries in the Netherlands and the U.K.) • Continue to improve productivity and product portfolio, but more time needed to improve EGFA's profitability

Decided to withdraw from glass fiber production in North America

[Current situation]
End of July　Closing of the Lexington Plant
End of August　Shelby Plant production shutdown (planned)

= Production item =
Lexington: Residential use only
Shelby: Automotive, infrastructure and housing equipment applications

Extraordinary Loss	Business restructuring expenses of ¥ 12.6 billion * Recorded in FY2026 2Q (from April to June) * Mainly relating to the structural reforms of the U.S. subsidiary

Concentrate management resources on growth fields to achieve medium - to long-term growth and improve profitability in the composites business

Outline by Business－Electronics & Information Technology

Displays

- Panel manufacturers' operating rates remained at high levels
- Demand for our products also remained strong

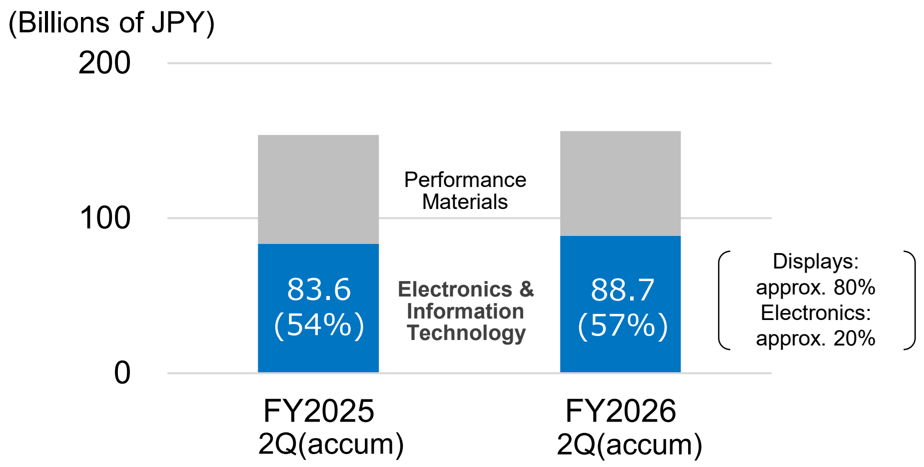
→ **Sales: Increase compared to the previous year**

Electronics

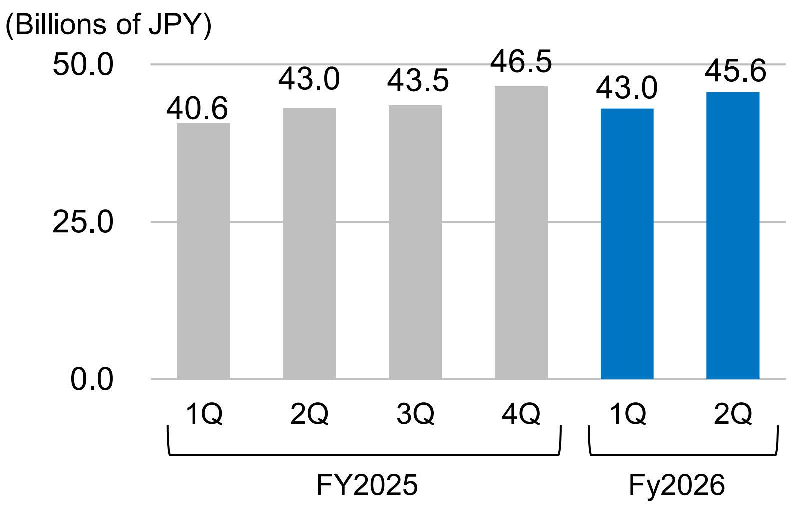
- Sales of data center-related products were strong
- Sales of products for semiconductors decreased year-on-year

→ **Sales: Same as the previous fiscal year**

■ Sales trends



■ Quarterly Sales Trends



Outline by Business－ Performance Materials

Composites

- Sales decreased due to the termination of business activities of a subsidiary in the U.K. in the previous fiscal year
  (Supply of some products from Malaysia plant)

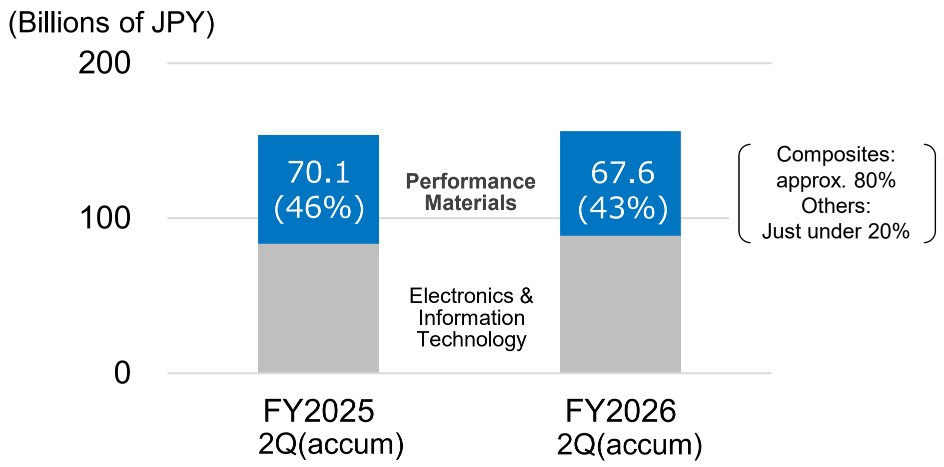
  → **Sales: Decrease compared to the previous year**

Medical Care, Heat-Resistance, Buildings

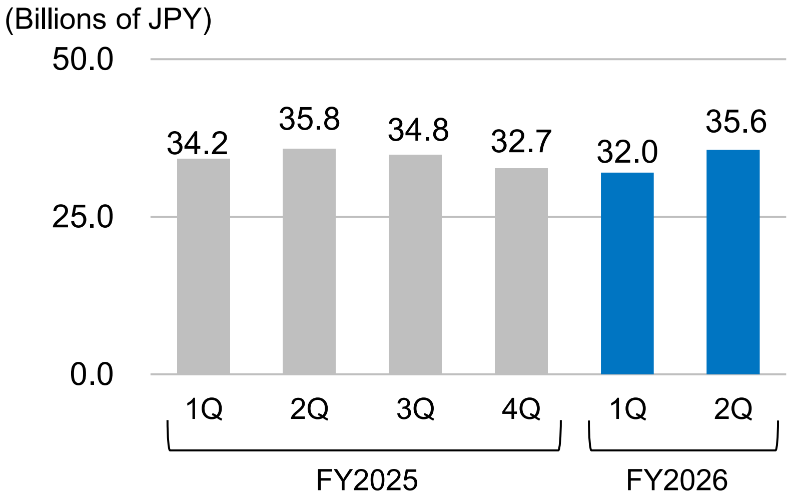
- **Medical care:** Sales of glass tubing for pharmaceutical use decreased year on year, while demand for radiation shielding glass remained strong.
- **Heat-Resistant:** Demand remains strong.
- **Buildings:** Sales decreased year on year due to few large-scale projects

  → **Sales: Same as the previous fiscal year**

■ **Sales trends**

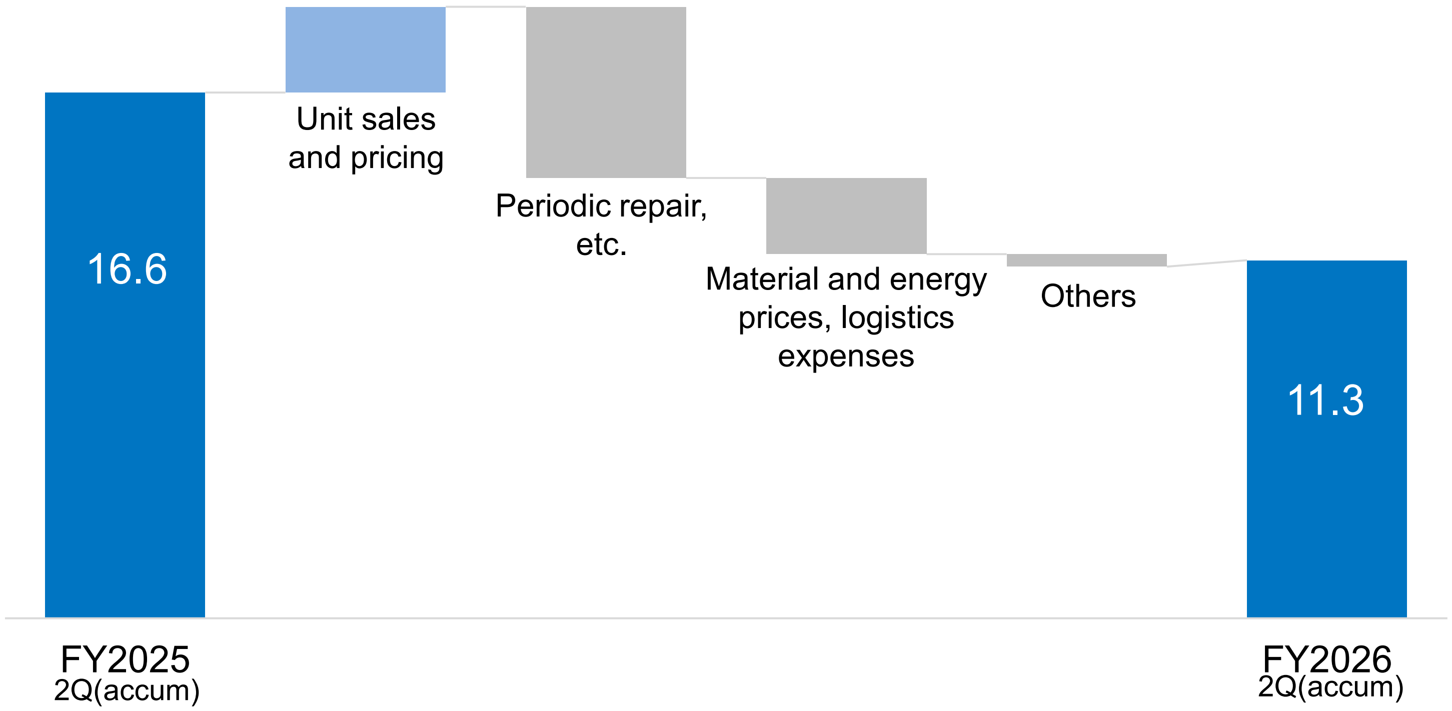


■ **Quarterly Sales Trends**



Analysis of Changes in Operation Profit

(Billions of JPY)



Key factors

(+) Higher selling prices and increased sales volume in the displays business

(-) Increased costs associated with the conversion of all electric melting facilities and periodic repairs in the displays business

(-) Increased costs associated with the startup of glass manufacturing facilities for the medical care business

(-) Rising prices of raw materials and energy, etc.

Earnings Forecasts and Dividends Forecasts of FY2026

Forecasts of FY2026

FY2026

(Billions of JPY)

	2Q (accum)	Full year	For reference	
			FY2025	Change
Net sales	156.4	300.0	311.4	(3.7%)
Operation profit	11.3	20.0	34.1	(41.4%)
Operation margin	7.3%	6.7%	11.0%	-
Ordinary profit	16.2	25.0	37.7	(33.8%)
Profit attributable to owners of parent	6.4	15.0	29.6	(49.4%)
Dividend forecast (JPY/share)	Interim 80	Full year 160	Full yesar 150	-

Economic outlook

The global economy is expected to remain uncertain outlook due to factors including the slowdown in the Chinese economy, renewed tensions in the Middle East, etc.

Assumption

1USD＝160JPY

1EUR＝185JPY

Analysis of Changes in Operating Profit Forecast

Key factors

- (-) Decrease in sales volume of the displays business
- (-) Delayed productivity improvement in the composites business
- (-) Increase in raw material and fuel prices (including exchange rate impact)
- (-) Expenses associated with the closure of the European and U.S. sites of the composites business

Outlook for Each Business in the Second Half

Displays	● Panel manufacturers' operating rates will decline as demand winds down, and we expect shipments to decrease slightly. ● Increase in expenses for periodic repairs is expected.
Electronics	● Demand for glass wafer for supporting semiconductors is expected to recover. ● Sales of glass substrates for probe cards are expected to increase compared to the first half of the fiscal year. ● Data center products are expected to exceed initial plans.
Composites	● Sales are expected to decrease significantly due to business restructuring at the U.S. subsidiary. ● We are steadily starting up production facilities for low-dielectric glass fiber.
Medical care Heat-resistant Buildings	● Stable demand is expected to continue in the medical care, heat-resistant, and buildings businesses. ● Expanding sales of new products for top plate of cooking equipment.

Display - Application development of ultra-thin glass

Actively develop new products by leveraging the overflow technology cultivated in the display field

- **Solar panels for satellites**

  Lightweight glass Starveil ™ with high UV shielding is used for solar Protects the panel.

- **Foldable smartphone**

  Dinorex UTG ™, a glass exclusively used for chemical strengthening that does not break when bent to a diameter of 3 mm. It is used as a cover glass for displays.

- **Perovskite solar cells** ***Under development**

  High ultraviolet shielding performance and high gas barrier property protect the device and contribute to the long life.

- **Speaker diaphragm**

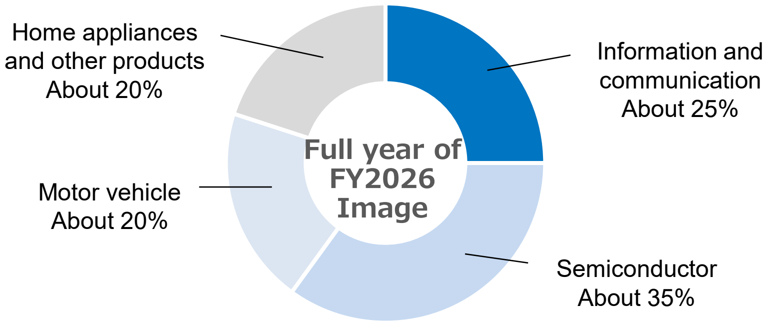
  The thin and light diaphragm made of Sonarion ™ ultra-thin glass for speaker diaphragm allows for fast sound rise and fine sound expression.

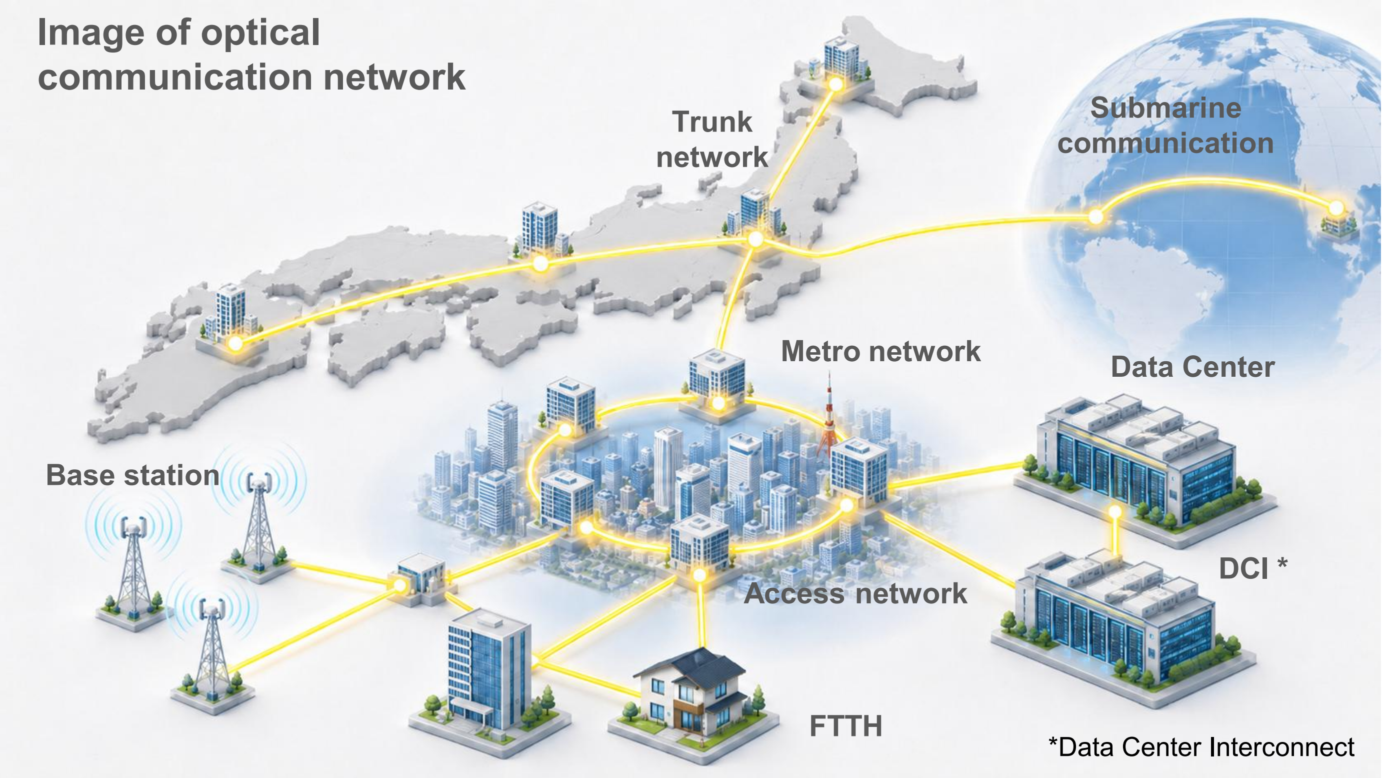
Electronics: Expansion of Information and Communications Application

Investment in datacenters and inter-datacenter communication infrastructure accelerated against the backdrop of rapid growth in generated AI, in addition to the advancement of digitalization and cloud-based computing

Demand for optoelectronics products increased

[Composition of Electronic Device Business]



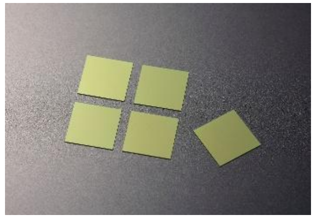


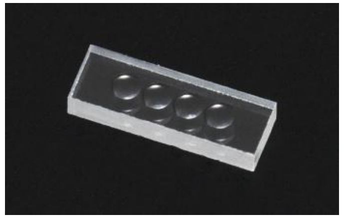
- Optical fiber connection


Microcapillary

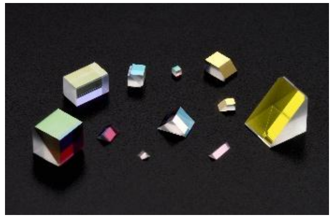

Glass for fusion reinforcement

- Optical transceivers


Glass polarizer


Microlens array


AR coated spherical lens


Microprism

Microcapillary

- Precision glass components that position and hold optical fibers with high precision at the micron level. Essential for miniaturization, higher density and higher reliability of optical communication modules
- Demand for high-speed, high-capacity communications increased as data centers expanded.

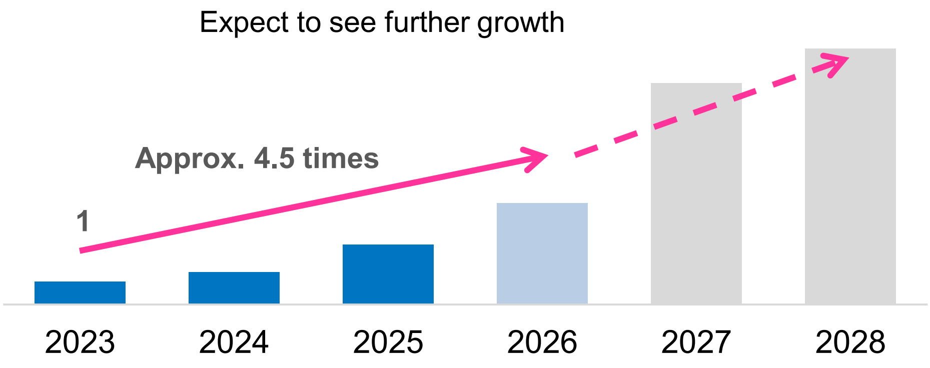
- **Primary Use**

  Used as part of optical communications modules such as optical transceivers, wavelength selective filters, isolators, and Co-Packaged Optics (CPO)

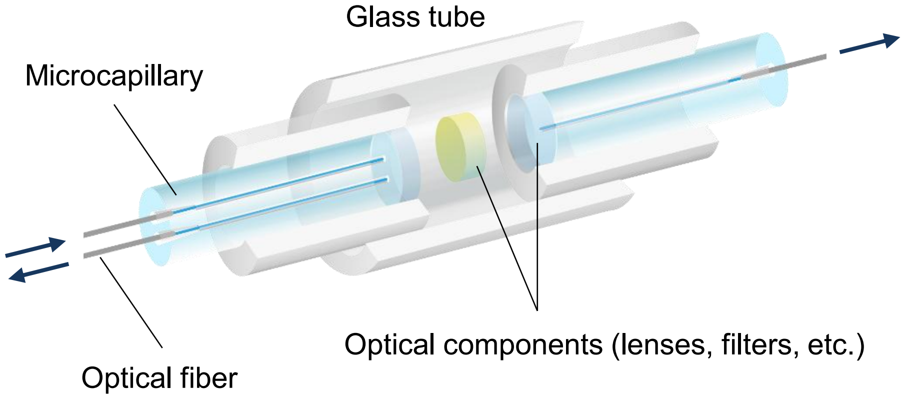
- **Our strengths**

  Material design technology, high-precision glass processing technology, and a rich product lineup (rectangular hole, square hole, two hole, etc.)

- **Demand forecast for Microcapillary**



Microcapillary



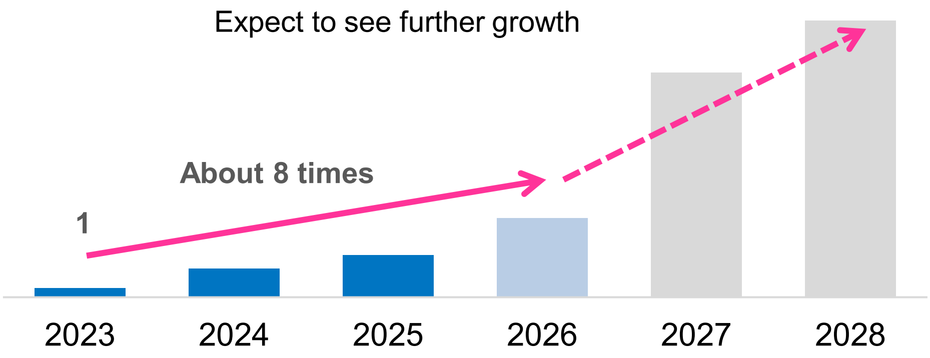
Glass polarizer

- An optical element that precisely controls the polarization characteristics of light, and is indispensable for stable and high-quality transmission of optical signals.
- Demand grows as data centers expand

● Characteristics

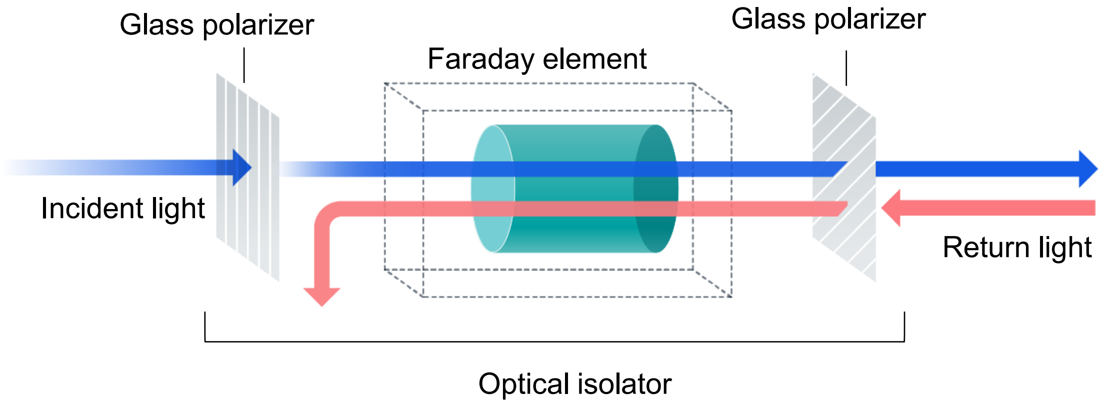
High extinction ratio	Transmission of required light and accurate blocking of unwanted light
Uniform in-plane extinction ratio distribution	Uniform extinction ratio performance at any position of the product
Low insertion loss	Reduces light loss through the polarizer
High reliability	Performance against long-term use and changes in temperature and humidity

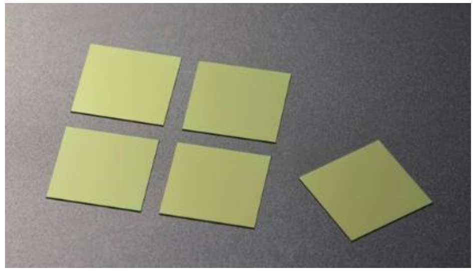
● Demand forecast for glass polarizers



● Primary Use

Optical isolators for optical communications *





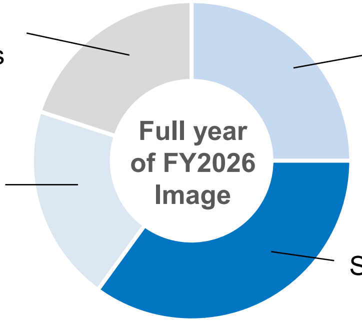
Glass polarizer

*Optical isolator:
When the reflected light returns to the laser light source, the output becomes unstable, noise is generated, or the light source is damaged. The laser protection system protects the laser and optical communication equipment from the returning light.

Semiconductor related products

- The growth of the advanced semiconductor-related market continues against the backdrop of higher performance and higher integration of semiconductors.
- Demand for manufacturing process materials and materials for advanced packaging is expected to increase.

[Composition of Electronic Device Business]



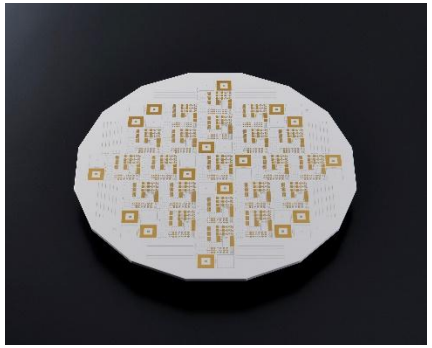
Glass wafer for supporting semiconductors (WSG)
Sales in the first half of FY2026 fell below the same period last year, but demand is expected to recover in the second half.

Glass substrate for probe card
The number of new hires is increasing due to strong demand. Sales are expected to increase in the second half.

Inorganic core substrate
Joint development with semiconductor companies. Development is ongoing with commercialization expected in 2028 or later

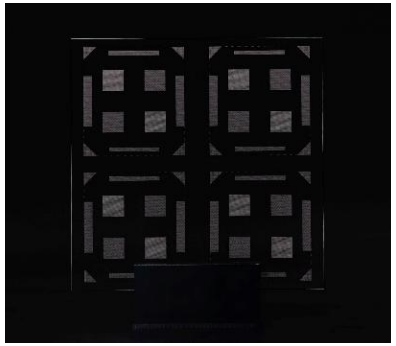
■ Manufacturing process materials

WSG

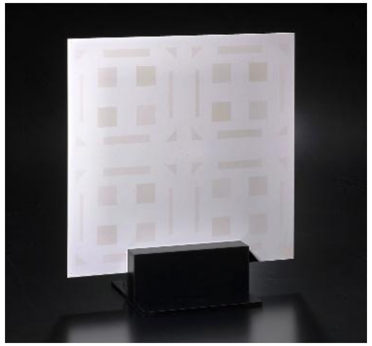


Glass substrate for probe card

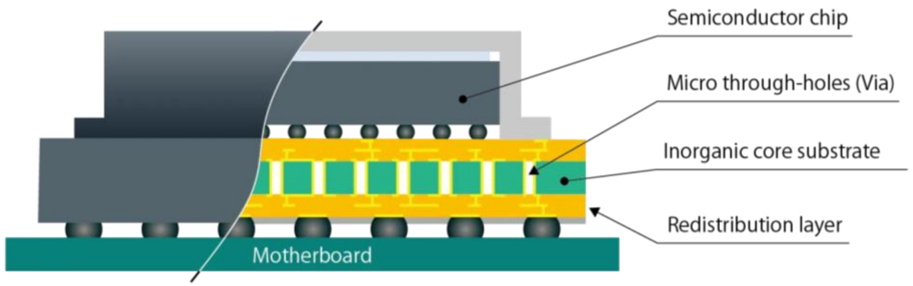
■ Inorganic core substrates (under development)



Glass core substrate



GC Core™



Composites - Focus on profitability and growth

- Aggressive investment in high-value-added products and development of new products (glass fiber for electronic materials, etc.)
- Profitability improvement at Malaysia plant

Aggressive investment in high-value-added products and development of new products

■ **Active investment in low-dielectric glass fiber**

Respondind to strong demand for substrate materials for telecommunications and other applications

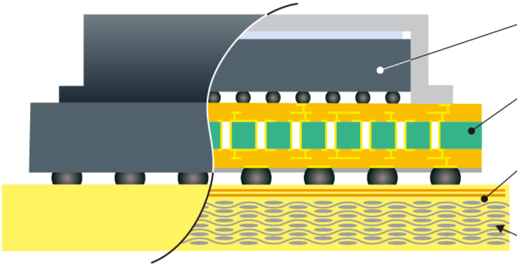
- First generation … Production started (Q4 FY2026)
- Second generation … Production started (1Q FY2027)
  Study on capacity expansion (end of FY2027)

D2 Fiber, a low-dielectric glass fiber

- Development of low-expansion glass fiber

Semiconductor package substrate applications

Efforts are underway to develop manufacturing processes and sample work



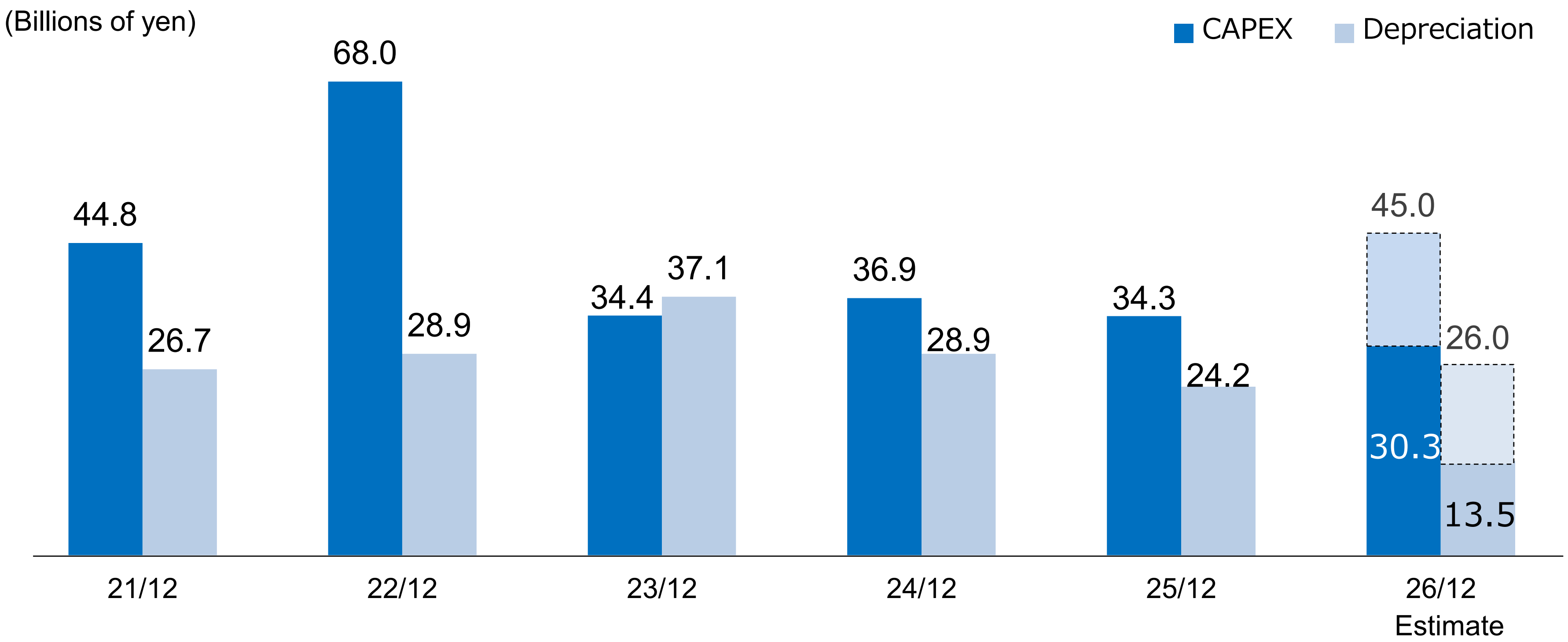
Profitability improvement at Malaysia plant

Management that focuses on profitability

- Improving production efficiency and reducing costs
- Sales strategy focused on profit and cost

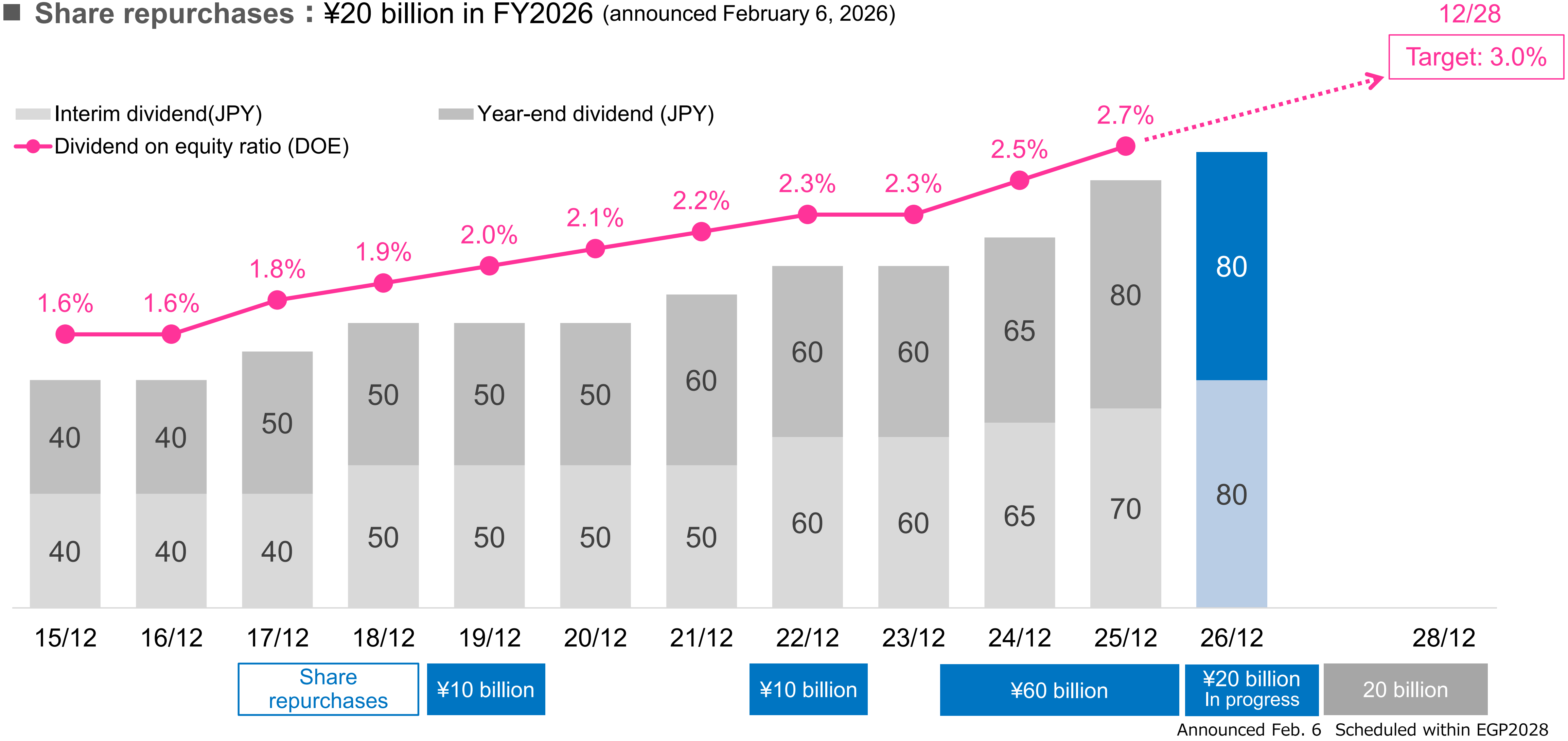
Outlook for Capital Investment and Depreciation

CAPEX	● Planned approx. ¥45 billion in FY2026 Display... Advancement of all-electric melting technology, capacity expansion and productivity improvement, etc. Composites... Investment in low dielectric glass fiber D2 fiber, etc. In addition to the above, process development, automation implementation, periodic maintenance, etc.
Depreciation	● Planned approx. ¥26 billion in FY2026



Return to shareholders

- **Dividend：** No reduction for over 20 years with continuous increases → FY2026: ¥160 per share planned
- **Share repurchases：** ¥20 billion in FY2026 (announced February 6, 2026)

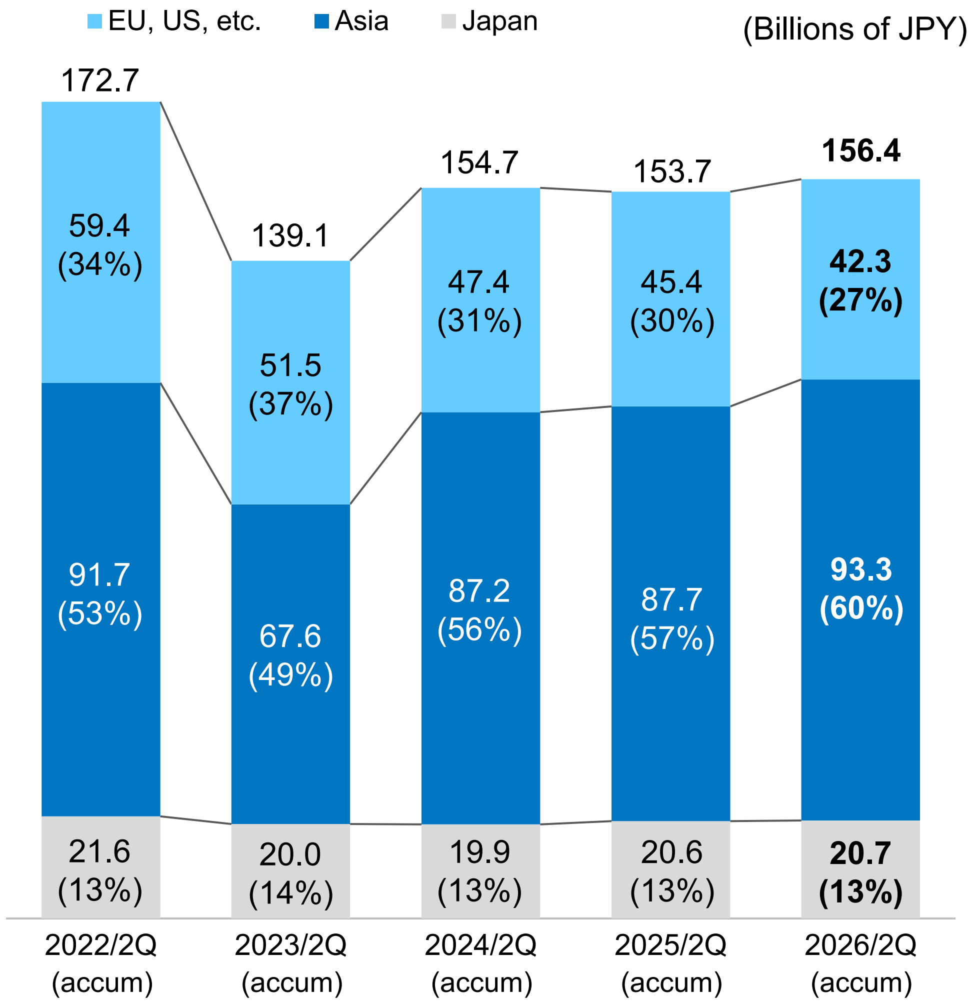


*DOE (dividend on equity ratio): Total dividends ÷Shareholders' equity

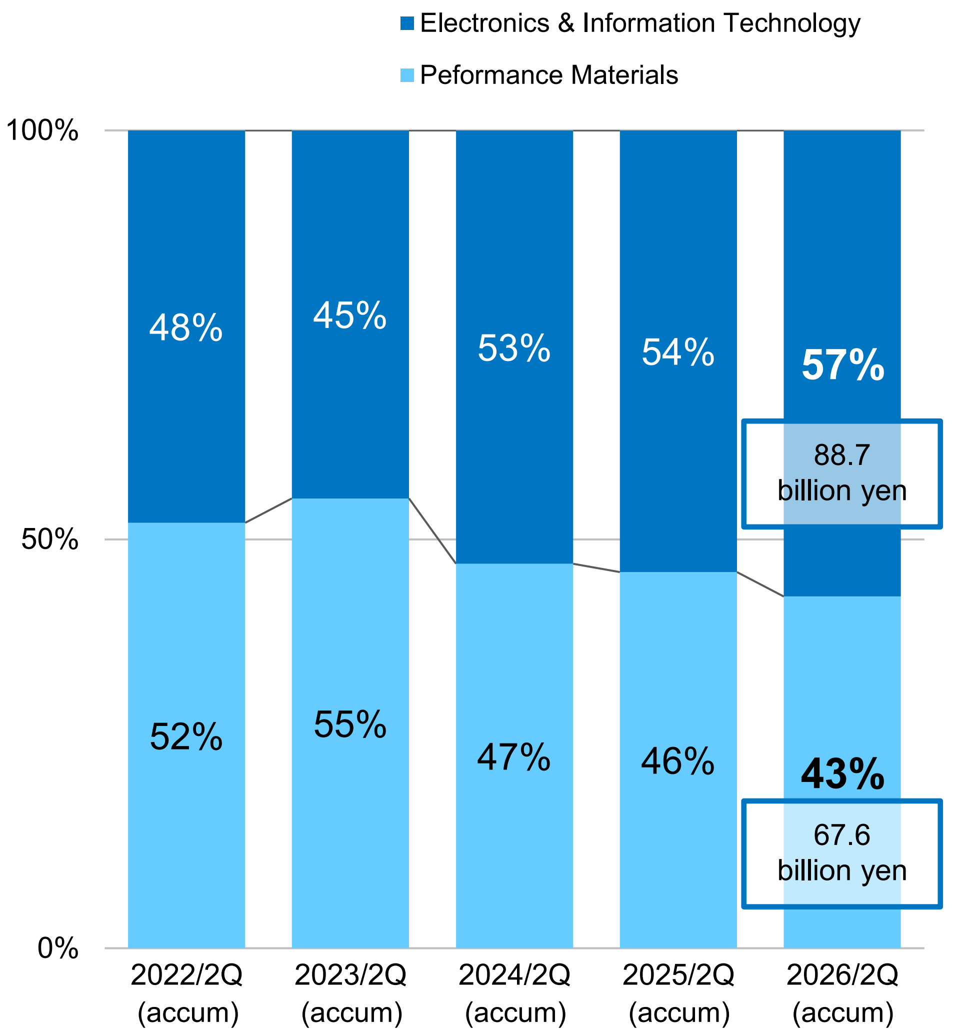
Reference Material

Trend of Sales by Region / Business

■ Trend of sales by business



■ Trend of sales by business



Consolidated balance sheet

(Billions of JPY)

	2025/12	2026/6	Change
Current assets	283.7	258.4	(25.2)
Cash and deposits	120.7	100.6	(20.0)
Notes and accounts receivable trade, and contract assets	61.8	60.0	(1.7)
Merchandise and finished goods	50.3	45.9	(4.3)
Raw materials and supplies	39.4	40.5	1.0
Other	11.3	11.2	(0.1)
Non-current assets	417.6	415.9	(1.6)
Property, plant and equipment	360.6	361.4	0.8
Intangible assets	4.1	0.8	(3.2)
Investments and other assets	52.8	53.6	0.7
Total assets	701.4	674.4	(26.9)

	2025/12	2026/6	Change
Total liabilities	205.2	174.5	(30.7)
Notes and accounts payable –trade	38.9	34.7	(4.2)
Interest-bearing debt	99.3	80.5	(18.8)
Income taxes payable	8.1	4.0	(4.0)
Provision for special repairs	10.4	12.4	2.0
Other	48.2	42.7	(5.5)
Total net assets	496.1	499.9	3.7
Shareholders' equity	416.4	406.8	(9.5)
Accumulated other comprehensive income	75.9	89.4	13.5
Non-controlling interests	3.8	3.5	(0.2)
Total liabilities and net assets	701.4	674.4	(26.9)

Consolidated Statement of Income

(Billions of JPY unless otherwise specified)

	FY2024				FY2025				FY2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	76.6	78.0	72.8	71.7	74.8	78.9	78.3	79.3	75.1	81.3
Operating profit	0.7	2.1	1.7	1.5	7.8	8.7	7.6	9.8	6.4	4.8
Operating margin	1.0%	2.7%	2.4%	2.1%	10.6%	11.1%	9.8%	12.4%	8.6%	6.0%
Non-operating income / expenses	3.8	3.5	△5.6	4.5	△1.7	△0.6	2.2	3.8	2.4	2.4
Foreign exchange gains / loss	3.0	2.9	△5.7	4.2	△2.6	△1.5	1.7	3.6	1.6	1.4
Ordinary profit	4.6	5.6	△3.9	6.0	6.1	8.1	9.8	13.6	8.9	7.3
Extraordinary income / losses	22.8	8.0	3.1	△22.7	1.3	0.4	0.4	2.0	3.4	△8.5
Profit before income taxes	27.4	13.6	△0.7	△16.6	7.4	8.5	10.3	15.6	12.4	△1.2
Income taxes	△7.7	△3.0	1.4	△1.8	△2.3	△3.2	△3.8	△2.4	△4.0	△0.5
Profit attributable to owners of parent	19.6	10.5	0.5	△18.6	5.0	5.0	6.5	12.9	8.3	△1.9

Consolidated Statement of Cash Flows

(Billions of JPY)

	25/2Q	26/2Q	Change
Cash flows from operating activities	18.6	24.1	5.4
Profit before income taxes	15.9	11.1	△4.7
Depreciation	11.3	13.5	2.1
Other, net	△8.6	△0.5	8.0
Cash flows from investing activities	1.2	△9.6	△10.8
Proceeds from sale of investment securities	6.8	7.0	0.2
Purchase of non-current assets	△10.9	△18.5	△7.5
Proceeds from sale of non-current assets	6.3	2.4	△3.8
Other, net	△0.8	△0.5	0.3
Cash flows from financing activities	△28.7	△36.0	△7.3
Purchase of treasury shares	△12.4	△10.0	2.4
Dividends paid	△5.2	△6.0	△0.7
Other, net	△11.0	△20.0	△8.9
Effect of exchange rate change on cash and cash equivalents	△2.9	1.5	4.4
Net increase (decrease) in cash and cash equivalents	△11.7	△20.0	△8.3
Cash and cash equivalents at end of period	111.8	100.2	△11.5

Consolidated Financial Data

(Billions of JPY unless otherwise specified)

	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	292.0	324.6	279.9	299.2	311.4
Operating profit	32.7	26.1	(10.4)	6.1	34.1
Operating margin	11.2%	8.1%	△3.7%	2.0%	11.0%
Profit (loss) attributable to owners of the parent	27.9	28.1	(26.1)	12.0	29.6
Depreciation and amortization	26.7	28.9	37.1	28.9	24.2
Capital expenditures	44.8	68.0	34.4	36.9	34.3
Research and development	6.5	7.2	8.0	7.8	8.8
Total assets	698.1	747.9	703.9	695.1	701.4
Interest-bearing debt	96.8	105.5	120.3	113.2	99.3
Shareholders' equity	475.6	492.7	444.4	417.4	416.4
Cash flows from operating activities	69.8	31.5	(1.3)	52.2	52.0
Cash flows from investing activities	(31.7)	(57.1)	(20.7)	42.6	(10.3)
Free cash flow	38.1	(25.5)	(22.1)	94.8	41.6
Equity ratio	70.9%	70.1%	69.2%	69.6%	70.2%
ROE	5.8%	5.5%	△5.2%	2.5%	6.1%

Corporate Information

Main Business	
Electronics & Information Technology	
Displays	Glass for LCDs Glass for OLED Displays “G-Leaf™” Ultra-thin Glass “Dinorex UTG™” Ultra-thin Glass for Chemical Strengthening UV Shielding Ultra-thin Glass
Electronics	Glass for Semiconductor Process LTCC Products Functional Powdered Glass Sheet Glass for Image Sensors Glass Tube for Small Electronic Products Glass for Optoelectronics “Lumiphous™” Phosphor-Glass Composites
Performance Materials	
Composites	Chopped Strands for Function Plastic Reinforcement Wet Chopped Strands for Building Materials Roving for Plastics Reinforcement “WizARG™” Alkali-Resistant Glass Fiber for Cement Reinforcement Low Dielectric Glass Fiber for Electronic Applications
Medical Care	Glass Tubing for Pharmaceutical and Medical Use “LX premium” Radiation-Shielding Glass
Heat-Resistance	“Neoceram®” Super Heat-Resistant Glass-Ceramics “StellaShine®” Super Heat-Resistant Glass-Ceramics for Cooking Appliance Top Plates
Buildings	“FireLite®” Fire-Rated Glass Glass Blocks “Neopariés®” Glass-Ceramic Building Materials
Others	Glass for Lighting Use Glass Engineering

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:	5,164（Group total as of Jun. 30, 2026）
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 13 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.

Nippon Electric Glass