

March 8, 2021

Notice of the 102nd Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be advised that the 102nd Ordinary General Meeting of Shareholders will be held as follows.

In order to prevent the spread of novel coronavirus (COVID-19) infection, you are strongly encouraged to exercise your voting rights prior to the meeting in writing or by using the Internet, etc., if at all possible, and urged to refrain from traveling to the venue on the date of the meeting. We cordially request that you review the Reference Documents for the Ordinary General Meeting of Shareholders described below and exercise your voting rights.

Yours faithfully,
Masayuki Arioka, Chairman of the Board
Nippon Electric Glass Co., Ltd.
7-1, Seiran 2-chome, Otsu, Shiga, Japan

- 1. Date and Time:** **Tuesday, March 30, 2021, from 10:00 a.m.**
2. Venue: **Conference Room at the Head Office of the Company**
7-1, Seiran 2-chome, Otsu, Shiga, Japan

3. Meeting Agenda:

Reporting:

1. Business report, consolidated financial statements and results of audits of consolidated financial statements by the Independent Auditor and the Board of Corporate Auditors for the 102nd fiscal year (from January 1, 2020 to December 31, 2020)
2. Non-consolidated financial statements for the 102nd fiscal year (from January 1, 2020 to December 31, 2020)

Proposals:

- Proposal 1:** Distribution of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Election of One (1) Substitute Corporate Auditor
Proposal 4: Payment of Bonuses to Directors

“Instructions on Voting”



Attending the Meeting in
Person

When attending the meeting, please bring the enclosed voting form and present it at the reception desk.



Voting by Mail

Please indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company by postal mail so that your vote is received by 5:00 pm on March 29, 2021 (Monday).



Voting via the Internet, etc.

Please enter your approval or disapproval of the proposals via the Internet, etc. by 5:00 pm on March 29, 2021 (Monday).

- (1) If you exercise your voting rights twice through voting by mail and via the Internet, etc., we will deem the vote cast via the Internet, etc. to be the effective one.
- (2) If you exercise your voting rights more than once via the Internet, etc., we will deem the last vote cast to be the effective one.

* Any revisions in Reference Documents for the Ordinary General Meeting of Shareholders, business report, non-consolidated financial statements and consolidated financial statements will be disclosed on the internet at the Company's website (<https://www.neg.co.jp/>).

Reference Documents for the Ordinary General Meeting of Shareholders

Proposal 1: Distribution of Surplus

Based on a basic policy of maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, the Company decides on dividend payments with its target of dividend on equity ratio (DOE) at 2% or more, while taking its financial situation into account. The Company will also implement flexible return to shareholders according to the achievement of the medium-term business plan.

For year-end dividends for the fiscal year under review, we will pay ¥50 per share. As a result, the annual dividend for the fiscal year under review will be ¥100 per share, including the interim dividend of ¥50.

- (1) Type of dividend assets:
Cash
- (2) Matters related to allocation of dividend assets to shareholders and the total amount thereof:
¥50 per share of common stock of the Company; a total amount of ¥4,832,061,900
- (3) Effective date of distribution of surplus:
March 31, 2021

Proposal 2:**Election of Nine (9) Directors**

The terms of office for all nine (9) Directors will expire as of the close of this Ordinary General Meeting of Shareholders. We propose the election of nine (9) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
	Masayuki Arioka (September 28, 1948) (Reappointed)	Apr. 1978: Joined Nippon Electric Glass June 1999: Director (Incumbent) June 2002: Vice President June 2004: Senior Vice President Apr. 2008: Executive Vice President June 2009: President CEO Mar. 2015: Chairman (Incumbent)	26,500
1	<p>[Reasons for selection as Director candidate]</p> <p>Mr. Masayuki Arioka, after serving as General Manager of the Glass Fiber Products Division and Group General Manager of the LCD Glass Group, served as President for six years, and during this period he promoted the stabilization of the Group's business through means such as improvements in the business portfolio and the manufacturing and development infrastructure while actively investing in growth fields. In addition, he is currently serving as the Chair of the Board of Directors and General Meeting of Shareholders as the Chairman of the Board of Directors while serving as a Representative Director focused on external matters. The Company has deemed that he would contribute to the further growth of the Group in consideration of his experience and achievements, and accordingly the Company proposes his election.</p> <p>[Status of attendance at the Board of Directors meeting]</p> <p>14 of 14 times (100%)</p>		

TRANSLATION FOR REFERENCE ONLY

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
	Motoharu Matsumoto (May 30, 1957) (Reappointed)	Apr. 1982: Joined Nippon Electric Glass Apr. 2007: Vice President June 2011: Director (Incumbent) Senior Vice President Apr. 2013: Executive Vice President Mar. 2015: President (Incumbent) CEO (Incumbent) [Assignment of work for an executive officer] In charge of Auditing	16,100
2	[Reasons for selection as Director candidate] Mr. Motoharu Matsumoto has served as President of a UK subsidiary and a US subsidiary, General Manager of the Accounting Division, and Group General Manager of the Display Glass Group, and has abundant experience and insight regarding global corporate management and finance. Since appointment as President, he carried out the establishment of the new Corporate Philosophy Structure in December 2015 and the formulation of the medium-term business plan “EGP2018” in February 2016, and he has steadily implemented measures to achieve EGP2018 including investments in growth fields such as the acquisition of glass fiber businesses in Europe and the United States. In February 2019, with the aim of achieving medium- to long-term growth, he set five key factors and their concepts, such as “Corporate Goal” and “Research and Development,” and established our new medium-term business plan “EGP2021.” Meanwhile, he will continue to undertake measures for the Company to become “the world’s leading manufacturer of special glass.” The Company has deemed that he would contribute to the further growth of the Group in consideration of his experience and achievements, and accordingly the Company proposes his election. [Status of attendance at the Board of Directors meeting] 14 of 14 times (100%)		
3	Hirokazu Takeuchi (June 7, 1959) (Reappointed)	Apr. 1982: Joined Nippon Electric Glass Apr. 2010: Vice President Group General Manager, Electronic Products Group June 2013: Director (Incumbent) Senior Vice President Jan. 2017: Executive Vice President (Incumbent) [Assignment of work for an executive officer] Supervising: Research & Development, Process Development & Engineering and Electronic Products Business	9,400
	[Reasons for selection as Director candidate] Mr. Hirokazu Takeuchi worked towards establishing a global production structure and strengthening product development capabilities in the consumer glass business, glass fiber business, and electronic products business. As a Director and Executive Vice President who supervises research & development, process development & engineering, and electronic products business, he is currently working to reform and strengthen the Company’s research & development and process development & engineering. The Company has deemed that he would contribute to the further growth of the Group in consideration of his experience and achievements, and accordingly the Company proposes his election. [Status of attendance at the Board of Directors meeting] 14 of 14 times (100%)		

TRANSLATION FOR REFERENCE ONLY

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
4	Koichi Tsuda (October 15, 1959) (Reappointed)	Apr. 1982: Joined Nippon Electric Glass Apr. 2011: Vice President General Manager, Administrative Division Mar. 2015: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for an executive officer] Supervising: Administration, Human Resources, Accounting, Purchasing, Corporate Strategy, Information Systems and Sales Management In charge of Tokyo Branch Office and Security Trade Control	6,300
[Reasons for selection as Director candidate] Mr. Koichi Tsuda has served as General Manager of the Administrative Division and a Representative Director of a domestic subsidiary, and has abundant experience and insight regarding management of the Group, including supporting the management foundations of the Group. He is currently playing a role in management areas such as the Group's global business strategy and finance as a Director and Senior Vice President who supervises corporate departments. The Company has deemed that he would contribute to the further growth of the Group in consideration of his experience and achievements, and accordingly the Company proposes his election. [Status of attendance at the Board of Directors meeting] 14 of 14 times (100%)			
5	Hiroki Yamazaki (March 11, 1962) (Reappointed)	Apr. 1984: Joined Nippon Electric Glass Oct. 2006: General Manager, Technical Division Apr. 2011: Vice President Mar. 2016: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for an executive officer] In charge of Fundamental Technology, Intellectual Property, Environmental Management, Quality Auditing, Product Safety Management and Cooperation in Research & Technology	7,700
[Reasons for selection as Director candidate] Mr. Hiroki Yamazaki has served at important posts in the technical division, and has devoted himself to initiatives such as the establishment of a technology planning system for the swift development of high-performance glass materials. As a Director and Senior Vice President in charge of fundamental technology, intellectual property, environmental management, quality auditing, product safety management and cooperation in research & technology, he is currently engaged in strengthening basic research in collaboration with research institutions in Japan and overseas. The Company has deemed that he would contribute to the further growth of the Group in consideration of his experience and achievements, and accordingly the Company proposes his election. [Status of attendance at the Board of Directors meeting] 14 of 14 times (100%)			

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No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
6	Tomonori Kano (March 2, 1965) (New)	Apr. 1989: Joined Nippon Electric Glass Mar. 2015: General Manager, Display Glass Division, Production, Display Glass Group Jan. 2016: Vice President Jan. 2020: Senior Vice President (Incumbent) Jan. 2021: Group General Manager, Display Glass Group (Incumbent) [Assignment of work for an executive officer] In charge of Display Glass Business and Thin Film Business [Significant Concurrent Position] Chairman, Board of Directors, Electric Glass (Xiamen) Co., Ltd. Chairman, Board of Directors, Electric Glass (Shanghai) Co., Ltd. Representative Director, Dong Yang Electronic Glass Co., Ltd.	1,400
[Reasons for selection as Director candidate] Mr. Tomonori Kano has served at important posts in the display glass business, and has devoted himself to developing manufacturing processes with respect to glass for flat panel displays as well as making productivity improvements and improving quality in that regard. He has also contributed to heightening competitiveness of the display glass business in part by facilitating swift launch of production in newly established subsidiaries overseas. He is currently promoting the display business strategically including the establishment of a production structure in China where further growth is expected going forward for the display market as a Senior Vice President who supervises the display glass business. The Company has deemed that he would contribute to the further growth of the Group in consideration of his experience and achievements, and accordingly the Company proposes his election.			
7	Shuichi Mori (March 8, 1949) (Reappointed) (Outside) (Independent)	Apr. 1972: Joined SUMITOMO CORPORATION June 2008: Representative Director, Executive Vice President, SUMITOMO CORPORATION Mar. 2011: Retired from SUMITOMO CORPORATION Mar. 2011: Representative Director, President, Jupiter Telecommunications Co., Ltd. Jan. 2014: Representative Director, Chairman, Jupiter Telecommunications Co., Ltd. June 2015: Retired from Jupiter Telecommunications Co., Ltd. Mar. 2016: Director of the Company (Incumbent) [Significant Concurrent Position] Outside Director, TOKAI Cable Network Corporation	300
[Reasons for selection as Director candidate] Mr. Shuichi Mori has served as Representative Director and Executive Vice President at Sumitomo Corporation and President and Chairman at Jupiter Telecommunications Co., Ltd. He has been involved in the management of these companies for many years, and has expertise and extensive experience regarding corporate management. The Company proposes his election to enable this expertise and experience to be reflected in the Company's management. [Status of attendance at the Board of Directors meeting] 14 of 14 times (100%)			

TRANSLATION FOR REFERENCE ONLY

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
8	Reiko Urade (February 6, 1953) (Reappointed) (Outside) (Independent)	Apr. 2010: Professor, Graduate School of Agriculture, Kyoto University Apr. 2018: Emeritus Professor, Kyoto University (Incumbent) Research Professor, Institute for Integrated Radiation and Nuclear Science, Kyoto University (Incumbent) Mar. 2019: Director of the Company (Incumbent) [Significant Concurrent Position] Emeritus Professor, Kyoto University Research Professor, Institute for Integrated Radiation and Nuclear Science, Kyoto University	None
[Reasons for selection as Director candidate] Ms. Reiko Urade has achieved noteworthy results as a researcher in science who has expertise regarding agriculture, has been involved in human resource development in that field, and has expertise and extensive experience. The Company proposes her election to enable this expertise and experience to be reflected in the Company's management. She has no experience of involvement in corporate management in a way other than as an outside director or corporate auditor; however, the Company has considered that she is capable of appropriately performing the duties of an Outside Director of the Company due to the reasons mentioned above. [Status of attendance at the Board of Directors meeting] 14 of 14 times (100%)			
9	Hiroyuki Ito (November 20, 1965) (Reappointed) (Outside) (Independent)	Apr. 1992: Assistant, Faculty of Economics, Shiga University Apr. 2009: Professor, Faculty of Economics, Shiga University Mar. 2020: Director of the Company (Incumbent) Apr. 2020: Emeritus Professor, Shiga University (Incumbent) Professor, Faculty of Business Administration, Osaka University of Economics (Incumbent) [Significant Concurrent Position] Emeritus Professor, Shiga University Professor, Faculty of Business Administration, Osaka University of Economics	None
[Reasons for selection as Director candidate] Mr. Hiroyuki Ito has expertise and extensive experience of research in corporate management as a scholar of business administration. He has achieved noteworthy results in the areas of corporate governance and management organizations, and has also been involved in human resource development in those fields. The Company proposes his election to enable this expertise and experience to be reflected in the Company's management. He has no experience of involvement in corporate management in a way other than as an outside director or corporate auditor; however, the Company has considered that he is capable of appropriately performing the duties of an Outside Director of the Company due to the reasons mentioned above. [Status of attendance at the Board of Directors meeting (after assuming the Director from March 27, 2020)] 11 of 11 times (100%)			

Notes: 1. All candidates have no conflicts of interest with the Company.

2. The Company has adopted the Executive Officer System. “Supervising” and “In charge of” in the “Brief personal profile, position, responsibilities and significant concurrent positions” indicate work assignments of executive officers.
3. Matters related to the candidate for Outside Director Mr. Shuichi Mori are as follows:
 - (1) Mr. Shuichi Mori is a candidate for Outside Director.
 - (2) Mr. Shuichi Mori is currently an Outside Director of the Company, and his term of office will be five years at the close of this Ordinary General Meeting of Shareholders.
 - (3) The Company Group has an ongoing business relationship with SUMITOMO CORPORATION Group, where Mr. Shuichi Mori served as a representative director (the transaction value with SUMITOMO CORPORATION amounted to 1.2% of the Company’s consolidated net sales in the fiscal year under review). In addition, both the Company and SUMITOMO CORPORATION hold stock in each other’s companies, but the respective shareholding ratio is less than 0.1%. The Company believes that there are no problems as regards this relationship between the two companies and Mr. Mori’s independence because the above transactions ratio and shareholding ratio are insignificant, and nine years has passed since his retirement from SUMITOMO CORPORATION.
 - (4) Outline of limited liability agreement:

Mr. Shuichi Mori and the Company executed a limitation of liability agreement with respect to his duty as an Outside Director of the Company that limits his liability for damages to the Company pursuant to Article 423(1) of the Corporation Law up to the sum total of the amounts listed in the items of Article 425(1) of the Corporation Law (“the Limitation of Liability Contract for Outside Director”). Provided that Mr. Shuichi Mori is reappointed as Outside Director, he and the Company will continue the Limitation of Liability Agreement for Outside Director.
4. Matters related to the candidate for Outside Director Ms. Reiko Urade are as follows:
 - (1) Ms. Reiko Urade is a candidate for Outside Director.
 - (2) Ms. Reiko Urade is currently an Outside Director of the Company, and her term of office will be two years at the close of this Ordinary General Meeting of Shareholders.
 - (3) Outline of limited liability agreement:

Ms. Reiko Urade and the Company executed a limitation of liability agreement with respect to her duty as an Outside Director of the Company that limits her liability for damages to the Company pursuant to Article 423(1) of the Corporation Law up to the sum total of the amounts listed in the items of Article 425(1) of the Corporation Law (“the Limitation of Liability Contract for Outside Director”). Provided that Ms. Reiko Urade is reappointed as Outside Director, she and the Company will continue the Limitation of Liability Agreement for Outside Director.
5. Matters related to the candidate for Outside Director Mr. Hiroyuki Ito are as follows:
 - (1) Mr. Hiroyuki Ito is a candidate for Outside Director.
 - (2) Mr. Hiroyuki Ito is currently an Outside Director of the Company, and his term of office will be one year at the close of this Ordinary General Meeting of Shareholders.
 - (3) Outline of limited liability agreement:

Mr. Hiroyuki Ito and the Company executed a limitation of liability agreement with respect to his duty as an Outside Director of the Company that limits his liability for damages to the Company pursuant to Article 423(1) of the Corporation Law up to the sum total of the amounts listed in the items of Article 425(1) of the Corporation Law (“the Limitation of Liability Contract for Outside Director”). Provided that Hiroyuki Ito is reappointed as Outside Director, he and the Company will continue the Limitation of Liability Agreement for Outside Director.
6. Mr. Shuichi Mori, Ms. Reiko Urade and Mr. Hiroyuki Ito are the candidates for the Independent Directors pursuant to the provisions of Tokyo Stock Exchange Inc.
7. The Company has entered into a directors and officers liability insurance policy with an insurance company and intends to renew the policy in April 2021. The insurance policy in conjunction with

special provisions thereof covers damages that may arise as a result of an officer, etc. who is an insured party assuming liability for execution of his or her professional duties, or as a result of such officer, etc. becoming subject to a legal claim pursuing such liability. All candidates are already deemed as insured parties under said insurance policy and are to remain insured parties subsequent to their election.

Proposal 3: Election of One (1) Substitute Corporate Auditor

To prepare for the case in which the Company does not have the number of Corporate Auditors stipulated in laws and regulations, we propose the election of one (1) substitute Corporate Auditor in advance.

The Board of Corporate Auditors has already approved this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Brief personal profile, position and significant concurrent positions	Number of the Company shares held
Toru Watanabe (February 2, 1966)	Apr. 1993: Registered as an Attorney at Law Joined Kitahama Law Office (Currently Kitahama Partners - Foreign Law Joint Enterprise, Kitahama Partners L.P.C.) Jan. 1998: Partner, Kitahama Partners - Foreign Law Joint Enterprise (Incumbent) Jan. 2020: Representative Partner, Kitahama Partners L.P.C. (incumbent) [Significant Concurrent Position] Partner, Kitahama Partners - Foreign Law Joint Enterprise Representative Partner, Kitahama Partners L.P.C. Outside Director, SHOBIDO Corporation (Audit & Supervisory Committee Member) Outside Director, AOYAMA TRADING Co., Ltd. Outside Director, O-WELL CORPORATION (Audit & Supervisory Committee Member)	None
[Reasons for selection as substitute Outside Corporate Auditor candidate] Mr. Toru Watanabe has expertise and extensive experience as an Attorney at Law. The Company proposes that Mr. Watanabe be elected as the substitute Corporate Auditor in the hope that he will reflect such expertise and experience when auditing the Company. He has no experience of involvement in corporate management in a way other than as an outside director or corporate auditor; however, the Company has considered that he is capable of appropriately performing the duties of an Outside Corporate Auditor of the Company due to the reasons mentioned above.		

- Notes: 1. The abovementioned candidate has no conflicts of interest with the Company.
2. Matters related to the candidate for substitute Outside Corporate Auditor are as follows:
- (1) Mr. Toru Watanabe is a candidate for substitute Outside Corporate Auditor.
 - (2) Outline of limited liability agreement:
 If Mr. Toru Watanabe assumes the office of Outside Corporate Auditor, the Company intends to enter into an agreement with him concerning liability for damages as stipulated in Article 423, Paragraph 1 of the Corporation Law. This agreement shall limit his liability for damages to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Corporation Law.
3. Mr. Toru Watanabe fulfills the requirements for the Independent Corporate Auditor pursuant to the provisions of Tokyo Stock Exchange Inc. If he assumes the office of Outside Corporate Auditor, the

Company plans to submit notification to the aforementioned Exchange concerning his appointment as an Independent Auditor.

4. The Company has entered into a directors and officers liability insurance policy with an insurance company and intends to renew the policy in April 2021. The insurance policy in conjunction with special provisions thereof covers damages that may arise as a result of an officer, etc. who is an insured party assuming liability for execution of his or her professional duties, or as a result of such officer, etc. becoming subject to a legal claim pursuing such liability. Mr. Toru Watanabe shall become an insured party if he assumes the office of Outside Corporate Auditor.

Proposal 4: Payment of Bonuses to Directors

The Company proposes that it pay Directors' bonuses totaling ¥70 million to six (6) Directors, excluding Outside Directors, as of the end of the fiscal year under review, in comprehensive consideration of their individual duties, responsibilities and performances, as well as earnings during the fiscal year under review and the business environment of the Company, while taking into account the level of other companies based on objective market research data on remuneration by an external specialized organization.

Business Report for the 102nd Fiscal Year

Period from January 1, 2020 to December 31, 2020

1. Status of Corporate Group

(1) Progress and results of operations

Overall trend

In this fiscal year, the outlook for the global economy remained uncertain as the trade dispute between the US and China and the spread of the novel coronavirus disease (hereinafter called COVID-19) affected economic activity, despite showing some signs of recovery. In the domestic economy, while some improvement was seen in the employment environment, personal consumption, etc. during the latter half of the year, the recovery was only moderate.

Under these circumstances, while taking thorough measures to prevent infection, the Company Group has responded flexibly to changes in market conditions and continued business activities.

Consolidated results of operations for the fiscal year under review

	101st Fiscal Year (January 2019 to December 2019)	102nd Fiscal Year (January 2020 to December 2020)	Change
	Millions of yen	Millions of yen	%
Net sales	257,511	242,886	(5.7)
Operating profit	16,258	17,660	8.6
Ordinary profit	15,373	19,109	24.3
Profit (Loss) attributable to owners of parent	(33,669)	15,252	-

Despite capturing firm demand for glass for flat panel displays (FPDs), glass fiber suffered due to significant impact on automobile-related markets as a result of the spread of COVID-19, and net sales fell below the level of the previous fiscal year (from January 1 to December 31, 2019).

In terms of profit/loss, while there was a decline in net sales and falls in capacity utilization rates, at the same time, due to the effects of improved productivity and cost reduction, operating profit and ordinary profit came in above the level of the previous fiscal year. Profit attributable to owners of parent improved significantly compared to the previous fiscal year which recorded a large net loss.

Sales by business category are as follows:

Category		101st Fiscal Year (January 2019 to December 2019)		102nd Fiscal Year (January 2020 to December 2020)		Change	
		Net sales	Breakdown	Net sales	Breakdown	Amount	Percentage
Glass Business	Electronics and Information Technology	Millions of yen 134,414	% 52.2	Millions of yen 136,197	% 56.1	Millions of yen 1,782	% 1.3
	Performance Materials and Others	123,096	47.8	106,689	43.9	(16,407)	(13.3)
	Total	257,511	100	242,886	100	(14,624)	(5.7)

Electronics and Information Technology:

Though shipments of glass for FPDs during the second quarter (from April 1 to June 30, 2020) were affected by customer production cuts, from the third quarter (from July 1 to September 30, 2020) onward, shipments rose above the level of the previous fiscal year as a result of the rapid recovery in the display market for televisions and IT-related applications. The prices slightly declined compared to the previous fiscal year. Sales of cover glass (glass for chemical strengthening) declined compared to the previous fiscal year as a result of slowdown in demand for smartphones, etc. While shipments of glass for optical and electronic devices, mainly for use in auto parts, decreased, shipments of glass for optical devices were firm, so total shipments increased year-on-year. The LTCC (low temperature co-fired ceramics) joint venture business also contributed to sales.

As a result, net sales of Electronics and Information Technology amounted to ¥136,197 million, a year-on-year increase of 1.3%.

Performance Materials and Others:

Shipments of glass fiber decreased compared to the previous fiscal year, despite shipments recovering, mainly for high-performance resin used in auto parts, from the third quarter after hitting a bottom in the second quarter due to the impact of COVID-19. While shipments of heat-resistant glass and glass for building materials declined compared to the previous fiscal year due to the impact of COVID-19, shipments of glass tubing for pharmaceutical and medical use increased versus the previous fiscal year in the wake of strong demand in related markets.

As a result, net sales of Performance Materials and Others amounted to ¥106,689 million, a year-on-year decrease of 13.3%.

(2) Capital investment

The Company Group's capital investment amounted to ¥23,447 million in the fiscal year under review.

In Electronics and Information Technology, we invested primarily in bringing about significant productivity improvement with respect to glass for FPDs and also made investment

related to facilities support looking toward increasing sales. In Performance Materials and Others, we undertook investment mainly for augmenting production capacity of glass tubing for pharmaceutical and medical use in Nippon Electric Glass (Malaysia) Sdn. Bhd.

(3) Fund procurement status

Funds required in the fiscal year under review were for capital investment, funds for the redemption of bonds and working capital, which the Company financed with its own funds and borrowings, among other means.

Aiming at flexible fund-raising, the Company has entered into a commitment line agreement for a total amount of ¥25 billion with financial institutions in Japan.

(4) Main Lenders (as of December 31, 2020)

Lender	Borrowing Amount
Sumitomo Mitsui Banking Corporation	¥16.0 billion
Sumitomo Mitsui Trust Bank, Limited	¥10.4 billion
THE SHIGA BANK, LTD.	¥10.1 billion

(5) Issues to be addressed

[Company’s Basic management policy]

The Company Group’s basic management policy is to respond to the needs of societies by developing, manufacturing, and supplying an abundance of glass products to the market with various properties and functions through the technologies of material design, melting, forming, and processing under the Company Corporate Philosophy Structure with the goal of becoming the world’s leading manufacturer of special glass. At the same time, the Company Group will fulfill its social responsibility in line with the times by performing important CSR (corporate social responsibility) activities. Through these activities, the Company Group will contribute to social development, strive to disseminate its corporate identity, raise corporate value, and achieve sustainable growth.

“The Company Corporate Philosophy Structure”

At Nippon Electric Glass, our corporate philosophy is a reflection of our founding mission, a statement of our devotion to creating products infused with the very best of human civilization for the betterment of society.

(Our corporate philosophy)

“We strive to build a brighter future for the world by uncovering the unlimited possibilities of glass and through advanced creative manufacturing.”

Our Slogan: GLASS FOR FUTURE

heat-resistant glass and glass for building materials, and will build a balanced business portfolio.

- In carrying out these activities, the Company Group will strive to fulfill its corporate social responsibilities and contribute to social development, while also increasing corporate value and pursuing sustainable growth.

(*) The Company Group's vision of "creative manufacturing"

To meet society's needs, the Company Group carries out research and development based on cutting-edge technology (material design, manufacturing process technology [melting, forming, processing] and evaluation technology), creates top-notch products, and supplies its products steadily to the market through the highest quality standards and efficient production. The Company Group then uses feedback from the market for further research and development. This cycle represents the approach to "creative manufacturing" to which the Company Group aspires.

○ Focus market areas

- The Company has designated the four areas of "Automotive and Transportation," "Information Technology and Semiconductors," "Medical Care," and "Displays" as its "Expansion and reinforcement areas" that will directly lead to medium-term growth. The Company will focus on aggressively expanding business and strengthening competitiveness in these areas.
- The Company expects growth in the four areas of "Lighting," "Energy," "Social Infrastructure," and "Home Appliances" as society develops. These are also areas in which the functionality of glass can be fully utilized. The Company places these areas in "Strategic development areas," and will promote research and development to create new businesses in these areas.
- The Company will meet the following needs in each area through the above activities.

- Expansion and reinforcement areas -

- ◎ Automotive and Transportation: Lightweight materials, in-vehicle lighting, display devices, autonomous driving, in-vehicle cameras, electronic devices
- ◎ Information Technology and Semiconductors: High-speed and high-capacity optical communications equipment (5G-compatible), next-generation semiconductors (small-sized, high-precision, high-functioning)
- ◎ Medical Care: Advanced pharmaceutical containers, cutting-edge medical equipment and devices
- ◎ Displays: Next-generation displays (high-definition, thin and lightweight, flexible)

- Strategic development areas -

- ◎ Lighting: Next-generation lighting (energy-saving, high-luminance, high-output)
- ◎ Energy: Renewable energy systems, secondary batteries
- ◎ Social Infrastructure: High-functioning fire-rated equipment, high-functioning structural materials (safe, durable, lightweight)
- ◎ Home Appliances: High-functioning home appliances and housing equipment materials, multi-function wall materials

<Medium-term business plan EGP2021>

Since fiscal year 2019, the Company has been deploying its medium-term business plan, “EGP2021” which sets forth the priorities of “Research and Development,” “Business Strategies,” “Strategic Investment,” and “CSR,” under a slogan of “Strong Growth – Raise Aspirations and Break Through Walls.”

○ Duration

January 1, 2019 to December 31, 2021 (three years)

○ Basic Policy

Pursue further growth toward becoming “the world’s leading manufacturer of special glass”

○ Our Slogan

Strong Growth – Raise Aspirations and Break Through Walls

* Emphasis is placed on achieving strong growth in financial results as well as in human resources, core technologies and R&D capabilities, and as a result, making our corporate character even stronger.

○ Priorities and Measures

(1) Research and Development:

- Build integrated development structures for products, glass technologies, and manufacturing process
- Enhance marketing functions
- Invest 10 billion yen in R&D annually
- Pursue R&D that makes dreams come true

(2) Business Strategies

- Create innovations in productivity and quality in the display glass business

- Enhance competitiveness of the glass fiber business by optimizing the global production structure and fortifying development
- Strengthen the Company's presence in growth areas such as China
- Assess the value of business and properly allocate resources

(3) Strategic investment

- The Company will implement M&A and establish collaborations and affiliations with other companies from the perspective of long-term growth and, in addition to conventional capital expenditure, the Company will set aside about 50 billion yen spread out over the three-year period for strategic investments.

(4) CSR

- Achieve sustainable growth and increase corporate value through initiatives that address the three priority themes of “environment”, “diversity and inclusion” and “community contribution”.

○ Management targets

- Net sales: 300 billion yen
(Breakdown)
Electronics and Information Technology: 150 billion yen
(glass for displays, glass for optical and electronic devices and others)
Performance materials and others: 150 billion yen
(glass fiber, medical-care, heat-resistant products, building materials and others)
- Operating profit: 25 billion yen
- Operating margin: 8%
- Year to achieve targets: Fiscal 2021

○ Financial policy

- Emphasis on cash flow
- Emphasis on efficient use of assets (reduction in financial assets and inventory assets, consolidation of manufacturing equipment through productivity improvement)
- Financial soundness

○ Profit Distribution Policy:

- Continued and stable payment of dividends over the long term
- Dividends on equity ratio (DOE): 2% and upwards
- Implementation of flexible shareholder return measures according to the status of achievement of the medium-term business plan

Details regarding progress and future actions made in priorities are as follows.

(1) Research and Development

Priorities	Progress and future actions
<ul style="list-style-type: none"> • Build integrated development structures for products, glass technologies, and manufacturing process • Enhance marketing functions • Invest 10 billion yen in R&D annually • Pursue R&D that makes dreams come true 	<p>(Progress)</p> <ul style="list-style-type: none"> • Developed multiple new products by building integrated development structures for products, glass technologies, and manufacturing process (14 press releases issued (5 releases in 2019 and 9 releases in 2020)). • Performed market analysis and promoted commercialization through marketing organizations. • Established innovative manufacturing process technologies that achieve higher productivity, lower energy consumption, and smaller environmental footprints. <p>(Future actions)</p> <ul style="list-style-type: none"> • Develop new products (fortify development in the devices field, as well as materials). • Develop and deploy innovative manufacturing processes for core products in order to promote carbon neutrality. • Strengthen the processes of creating and evaluating prototypes.

(2) Business Strategies

Priorities	Progress and future actions
<ul style="list-style-type: none"> • Create innovations in productivity and quality in the display glass business 	<p>(Progress)</p> <ul style="list-style-type: none"> • Developed substrate glass for high-performance displays featuring heightened dimensional stability in high-temperature process, and developed stronger cover glass (glass for chemical strengthening) and currently expanding sales of them. • Embarked on production of substrate glass for 10.5-generation displays. • Developed new ultra-thin glass products and currently expanding sales of them <p>(Future actions)</p> <ul style="list-style-type: none"> • Laterally deploy innovative manufacturing processes.
<ul style="list-style-type: none"> • Enhance competitiveness of the glass fiber business by optimizing the global production structure and fortifying development 	<p>(Progress)</p> <ul style="list-style-type: none"> • Made operational adjustments to address changes in the market. • Engaged in structural reform of operations in Europe and the US (Consolidated operations from three plants into two in the US; Downsized organization in Europe). • Developed new products and manufacturing processes. <p>(Future actions)</p> <p>Rebuild production structure to align with demand trends.</p> <ul style="list-style-type: none"> • Malaysia: Achieve world-leading cost competitiveness by improving manufacturing processes. Increase the production capacity. • Operations in Europe and the US: Achieve positive earnings by improving of productivity and downsized organization, etc. • Expand base of customers who purchase high-value-added products such as high-modulus glass fiber and flat glass fiber. • Fortify development of new products aligned with market needs.
<ul style="list-style-type: none"> • Strengthen the Company’s presence in growth areas such as China • Assess the value of business and properly allocate resources 	<p>(Progress and future actions)</p> <ul style="list-style-type: none"> • Glass for displays: Strengthen the Company’s business platform in China (increase sales and heighten profitability through early increasing of production capacity in Xiamen). • Glass for optical and electronic devices: Strengthen solutions proposed with respect to devices. Continue promoting development actively centered on 5G and the CASE (Connected, Autonomous, Shared/Service, Electric) field. • Glass tubing for pharmaceutical and medical use: Increase productivity and profitability and address market growth by improving manufacturing processes. Launched operations of new Malaysian facility in October 2020. Address strong demands. • Glass for building materials and heat-resistant glass: Develop new products and applications leveraging properties of such glass. Focus on expanding sales overseas.

(3) Strategic Investment

Priorities	Progress and future actions
<p>The Company will implement M&A and establish collaborations and affiliations with other companies from the perspective of long-term growth and, in addition to conventional capital expenditure, the Company will set aside about 50 billion yen spread out over the three-year period for strategic investments.</p>	<p>Embarked on joint venture involving manufacturing and sales of LTCC (low-temperature co-fired ceramics) with the aim of expanding business in the field of electronic devices. Actively promote an alliance strategy in the Corporate Strategy Division involving arrangements such as M&As and collaboration and affiliations with other companies.</p>

(4) CSR

Priorities	Progress and future actions
<p>Achieve sustainable growth and increase corporate value through initiatives that address the three priority themes of “environment”, “diversity and inclusion” and “community contribution”.</p>	<p>(Environment)</p> <ul style="list-style-type: none"> • Reduce carbon dioxide emissions by laterally deploying innovative manufacturing process technologies. • Reduce environmental footprints by promoting the 3R approach (reduce, re-use, recycle). <p>(Diversity and Inclusion)</p> <ul style="list-style-type: none"> • Promote work-style reforms aligned with new lifestyles with sights set on the post-corona era. (Upgrade telecommuting and flextime arrangements, transform the employee welfare program and streamline operations through use of IT tools, etc.) • Mandate total smoking bans at Japanese sites of business nationwide. • Promote empowerment of diverse human resources. • Promote employment of persons with disabilities. <p>(Community contribution)</p> <ul style="list-style-type: none"> • Extend industry-academia collaboration agreement with the University of Shiga Prefecture. • Coordinate efforts with Shiga University in the field of data science. • Support measures for combatting COVID-19 (Provide hygiene supplies to medical institutions and social welfare facilities through Shiga Prefecture, etc.) • Continue supporting education of local human resources and strengthening systems for realizing community service activities.

(6) Changes in assets and profit/loss

(Yen)

Item	99th Fiscal Year (January 2017 to December 2017)	100th Fiscal Year (January 2018 to December 2018)	101st Fiscal Year (January 2019 to December 2019)	102nd Fiscal Year (January 2020 to December 2020)
Net sales	282,447 million	300,326 million	257,511 million	242,886 million
Operating profit	32,201 million	24,865 million	16,258 million	17,660 million
Ordinary profit	34,130 million	19,832 million	15,373 million	19,109 million
Profit (loss) attributable to owners of parent	27,184 million	15,199 million	(33,669 million)	15,252 million
Earnings (loss) per share	273.29	154.26	(348.50)	157.84
Total assets	764,420 million	725,320 million	664,800 million	658,139 million
Net assets	543,789 million	521,547 million	477,154 million	476,920 million
Net assets per share	5,416.93	5,346.03	4,885.50	4,886.10

Notes: 1. On July 1, 2017, the Company carried out a consolidation of shares at a ratio of one for every five common shares. Earnings per share and net assets per share are calculated on the assumption that this consolidation of shares was carried out at the beginning of the 99th fiscal year.

2. The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the 101st fiscal year. Accordingly, total assets for the 100th fiscal year reflect the retroactive application of this standard.

(7) Status of important subsidiaries (as of December 31, 2020)

Subsidiary name	Capital stock	Investment stake of the Company	Main business
Nippon Electric Glass (Malaysia) Sdn. Bhd.	MYR 1,303 million	100%	Production and sale of glass in the field of Electronics and Information Technology, and Performance Materials and Others
Paju Electric Glass Co., Ltd.	KRW 84,120 million	60%	Processing and sale of glass in the field of Electronics and Information Technology
Electric Glass (Korea) Co., Ltd.	KRW 167,117 million	100%	Production and sale of glass in the field of Electronics and Information Technology
Electric Glass (Xiamen) Co., Ltd.	CNY 2,075 million	100%	Production and sale of glass in the field of Electronics and Information Technology
Electric Glass Fiber America, LLC	USD 100	100%	Production and sale of glass in the field of Performance Materials and Others

Notes: 1. Electric Glass (Xiamen) Co., Ltd. increased its capital by CNY 550 million during the fiscal year under review.

2. The Company's equity stake in Electric Glass Fiber America, LLC is an indirect holding through the Company's US subsidiary.

3. The number of consolidated subsidiaries, including the five important subsidiaries above, is now 26 as of the end of the fiscal year under review.

(8) Description of main businesses (as of December 31, 2020)

The Company Group mainly produces and sells special glass products , as well as glass making machinery.

Category	Main products
Electronics and Information Technology	Glass for Flat Panel Displays (FPD) Glass for Liquid Crystal Displays (LCD) Glass for Organic Light-Emitting Diode (OLED) Displays “Dinorex” Specialty Glass for Chemical Strengthening Glass for Optical Devices Capillary and Ferrule for Optical Communication Devices Lens for Optical Communication Devices Micro Prism Glass for Electronic Devices Functional Powdered Glass Sheet Glass for Image Sensors Glass Tube for Small Electronic Products “Lumiphous” Phosphor-Glass Composites
Performance Materials and Others	Glass Fiber 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 Glass for Building Materials Glass Blocks “Neoparies” Glass Ceramics Building Materials “FireLite” Fire Rated Glass “Lamion” Ultra-thin Glass Laminated on Resin “Invisible glass” Ultra-Low Reflection Glass Heat-Resistant Glass “Neoceram” Super Heat-Resistant Glass Ceramic “StellaShine” Super Heat-Resistant Glass-ceramics for Cooking Appliance Top Plates Glass for Lighting Use Glass for Pharmaceutical and Medical Applications Glass tubing for Pharmaceutical and Medical Use “LX Premium” Radiation-Shielding Glass Glass for Thermos Flasks Glass Making Machinery

(9) Main sales offices and factories (as of December 31, 2020)

1) The Company

Name	Location
Head Office	Otsu, Shiga
Osaka Office & Sales Headquarters	Yodogawa-ku, Osaka
Tokyo Office & Sales Headquarters	Minato-ku, Tokyo
Otsu Plant	Otsu, Shiga
Shiga-Takatsuki Plant	Nagahama, Shiga
Notogawa Plant	Higashiomi, Shiga
Precision Glass Processing Center	Kusatsu, Shiga

2) Subsidiaries

Company name	Location
Nippon Electric Glass (Malaysia) Sdn. Bhd.	Selangor, Malaysia
Paju Electric Glass Co., Ltd.	Gyeonggi, Korea
Electric Glass (Korea) Co., Ltd.	Gyeonggi, Korea
Electric Glass (Xiamen) Co., Ltd.	Fujian, China
Electric Glass Fiber America, LLC	North Carolina, US

(10) Status of employees (as of December 31, 2020)

Number of employees	Change from previous fiscal year
6,157	Decrease of 325

Notes: 1. The number of employees represents the number of working employees.

2. The number of employees of the Company is 1,662 (decrease of 17 compared with the previous fiscal year).

2. Matters related to shares of the Company (as of December 31, 2020)**(1) Total number of shares authorized to be issued:** 240,000,000 shares**(2) Total number of shares issued:** 99,523,246 shares

Notes: Total number of shares issued includes 2,882,008 shares of treasury stock.

(3) Number of shareholders 24,825**(4) Major shareholders (Top 10 shareholders)**

Name	Number of shares held (Thousands of shares)	Ratio of shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,957	11.3%
NIPRO CORPORATION	9,657	10.0%
Custody Bank of Japan, Ltd. (Trust Account)	5,722	5.9%
JPMorgan Securities Japan Co., Ltd.	2,213	2.3%
Custody Bank of Japan, Ltd. (Trust Account No.9)	1,929	2.0%
THE BANK OF NEW YORK MELLON 140051	1,900	2.0%
THE SHIGA BANK, LTD.	1,617	1.7%
SMBC Nikko Securities Inc.	1,487	1.5%
Custody Bank of Japan, Ltd. (Trust Account No.5)	1,176	1.2%
JP MORGAN CHASE BANK 385781	1,163	1.2%

Notes: 1. The Company holds 2,882,008 treasury shares, and these are excluded from the major shareholders indicated above.

2. The ratio of shareholding is calculated by excluding treasury stock.

3. In the Change Report (the Change Report pertaining to Report of Possession of Large Volume) made available for public inspection on April 7, 2020, it is mentioned that Mizuho Securities Co., Ltd. and other one company held 4,953 thousand shares as of March 31, 2020. However, the status of the major shareholders described above is based on the number of shares recorded in the register of shareholders as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.

4. In the Change Report (the Change Report pertaining to Report of Possession of Large Volume) made available for public inspection on June 4, 2020, it is mentioned that Sumitomo Mitsui Trust Bank, Limited and other two companies held 8,616 thousand shares as of May 29, 2020. However, the status of the major shareholders described above is based on the number of shares recorded in the register of shareholders as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.

5. In the Change Report (the Change Report pertaining to Report of Possession of Large Volume) made available for public inspection on June 19, 2020, it is mentioned that BlackRock Japan Co., Ltd. and other seven companies held 3,790 thousand shares as of June 15, 2020. However, the status of the major shareholders described above is based on the number of shares recorded in the register of shareholders as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year

under review.

6. In the Change Report of Mitsubishi UFJ Financial Group, Inc. (the Change Report pertaining to Report of Possession of Large Volume) made available for public inspection on October 19, 2020, it is mentioned that MUFG Bank, Ltd. and other three companies held 3,319 thousand shares as of October 12, 2020. However, the status of the major shareholders described above is based on the number of shares recorded in the register of shareholders as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.
7. In the Change Report of Nomura Securities Co., Ltd. (the Change Report pertaining to Report of Possession of Large Volume) made available for public inspection on October 22, 2020, it is mentioned that Nomura Asset Management Co., Ltd. held 6,551 thousand shares as of October 15, 2020. However, the status of the major shareholders described above is based on the number of shares recorded in the register of shareholders as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.
8. In the Change Report (the Change Report pertaining to Report of Possession of Large Volume) made available for public inspection on January 8, 2021, it is mentioned that Sumitomo Mitsui DS Asset Management Company, Limited and other two companies held 3,722 thousand shares as of December 31, 2020. However, the status of the major shareholders described above is based on the number of shares recorded in the register of shareholders as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.

3. Matters related to Directors and Corporate Auditors of the Company

(1) Names, etc. of Directors and Corporate Auditors (as of December 31, 2020)

Name	Position in the Company	Assignment of work and significant concurrent positions
Masayuki Arioka	Chairman of the Board (Representative Director)	
Motoharu Matsumoto	President (Representative Director)	CEO [In charge of Auditing]
Hirokazu Takeuchi	Director	Executive Vice President [Supervising: Research & Development, Process Development & Engineering and Electronic Products Business] Group General Manager, Research & Development Group
Akihisa Saeki	Director	Senior Vice President [Supervising: Display Glass Business and Thin Film Business] Group General Manager, Display Glass Group Chairman, Board of Directors, Electric Glass (Shanghai) Co., Ltd. Representative Director, Dong Yang Electronic Glass Co., Ltd.
Koichi Tsuda	Director	Senior Vice President [Supervising: Administration, Human Resources, Accounting, Purchasing and Sales Management] [In charge of Corporate Strategy, Information Systems, Tokyo Branch Office and Security Trade Control]

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Name	Position in the Company	Assignment of work and significant concurrent positions
Hiroki Yamazaki	Director	Senior Vice President [In charge of Fundamental Technology, Intellectual Property, Environmental Management, Quality Auditing, Product Safety Management and Cooperation in Research & Technology]
Shuichi Mori	Outside Independent Director	Outside Director, TOKAI Cable Network Corporation
Reiko Urade	Outside Independent Director	Emeritus Professor, Kyoto University Research Professor, Institute for Integrated Radiation and Nuclear Science, Kyoto University
Hiroyuki Ito*	Outside Independent Director	Emeritus Professor, Shiga University Professor, Faculty of Business Administration, Osaka University of Economics
Masahiko Ohji	Full-time Corporate Auditor	
Yoshihisa Hayashi	Full-time Corporate Auditor	
Katsuhiko Matsui	Outside Independent Corporate Auditor	Certified Public Accountant and Certified Public Tax Accountant Representative, Matsui-jicpa Representative Partner, Sakura Horwath LLC
Tsukasa Takahashi	Outside Independent Corporate Auditor	Attorney at Law Representative, Katsube Takahashi Law Office Outside Corporate Auditor, Aeon Delight Co., Ltd. Outside Corporate Auditor, NIPPON SHOKUBAI CO., LTD.

- Notes: 1. Director Mr. Hiroyuki Ito marked with asterisks (*) was newly elected at the 101st Ordinary General Meeting of Shareholders held on March 27, 2020 and accordingly assumed its position.
2. Directors Mr. Shuichi Mori, Ms. Reiko Urade and Mr. Hiroyuki Ito are Outside Directors and Independent Directors filed at Tokyo Stock Exchange Inc. pursuant to the provisions set forth by that company.
3. Corporate Auditors Mr. Katsuhiko Matsui and Mr. Tsukasa Takahashi are Outside Corporate Auditors and Independent Auditors filed at Tokyo Stock Exchange Inc. pursuant to the provisions set forth by that company.
4. Corporate Auditor Mr. Katsuhiko Matsui is qualified as a certified public accountant and a certified public tax accountant and has deep insight into financial affairs and accounting.
5. The following is the name of Director who retired during the fiscal year under review and its position at the retirement and retirement date.

Name	Position at the retirement	Year, month and date of retirement
Sumimaru Odano	Director	March 27, 2020 (expiration of the term of office)

6. On July 19, 2020, Corporate Auditor Mr. Tsukawa Takahashi was appointed to serve as Outside Corporate Auditor, NIPPON SHOKUBAI CO., LTD.

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7. On December 31, 2020, Director Mr. Akihisa Saeki retired as Chairman, Board of Directors, Electric Glass (Shanghai) Co., Ltd. and Representative Director, Dong Yang Electronic Glass Co., Ltd.
8. The Company has adopted Executive Officer System. “Supervising” and “In charge” in the “Assignment of work and significant concurrent positions” indicate work assignments of Executive Officers. Names and assignment of work of Executive Officers as of January 1, 2021 are as follows. Executive Officers marked with asterisks (*) are those who concurrently serve as Directors.

Name	Assignment of work
Motoharu Matsumoto*	CEO [In charge of Auditing]
Hirokazu Takeuchi*	Executive Vice President [Supervising: Research & Development, Process Development & Engineering and Electronic Products Business]
Koichi Tsuda*	Senior Vice President [Supervising: Administration, Human Resources, Accounting, Corporate Strategy, Information Systems, Purchasing and Sales Management] [In charge of Tokyo Branch Office and Security Trade Control]
Hiroki Yamazaki*	Senior Vice President [In charge of Fundamental Technology, Intellectual Property, Environmental Management, Quality Auditing, Product Safety Management and Cooperation in Research & Technology]
Akira Kishimoto	Senior Vice President [In charge of Consumer Glass Products Business] Group General Manager, Consumer Glass Products Group
Norio Nakamura	Senior Vice President [In charge of Glass Fiber Business] Group General Manager, Glass Fiber Group
Haruki Matsumiya	Senior Vice President [In charge of Process Development & Engineering] Group General Manager, Process Development & Engineering Group
Tomonori Kano	Senior Vice President [In charge of Display Glass Business and Thin Film Business] Group General Manager, Display Glass Group
Masaaki Kadomi	Senior Vice President [In charge of Research & Development] Group General Manager, Research & Development Group
Mamoru Morii	Senior Vice President [In charge of Accounting, Purchasing, Corporate Strategy and Information Systems]

Name	Assignment of work
Hiroaki Nomura	Vice President [In charge of Glass Fiber Business, Sales and Electric Glass Fiber America, LLC] President, Electric Glass Fiber America, LLC
Takuo Horiuchi	Vice President [In charge of Display Glass Business, Sales] General Manager, Display Glass Division, Sales, Display Glass Group
Masahiro Kobayashi	Vice President [In charge of Electronic Products Business] Group General Manager, Electronic Products Group
Hitoshi Kanaya	Vice President [In charge of Process Development & Engineering] Deputy Group General Manager, Process Development & Engineering Group
Toshiyuki Nakajima	Vice President [In charge of Administration and Human Resources] General Manager, Human Resources Division
Hidetaka Oda	Vice President [In charge of Display Glass Business, Production] General Manager, Display Glass Division, Production, Display Glass Group

(2) The amount of remunerations for Directors and Corporate Auditors

Category	Number	Total amount of remunerations
Director (of which, Outside Director)	10 (4)	¥358 million (¥20 million)
Corporate Auditor (of which, Outside Corporate Auditor)	4 (2)	¥51 million (¥11 million)
Total	14	¥410 million

Note: The total amount of remunerations for Directors includes bonuses to Directors of ¥70 million, which is to be resolved at the 102th Ordinary General Meeting of Shareholders scheduled to be held on March 30, 2021 and restricted stock compensation of ¥36 million, expensed during the fiscal year under review.

(3) Matters related to Outside Directors and Outside Corporate Auditors

1) Significant concurrent position(s) of Outside Directors and Outside Corporate Auditors for other entities and relationships between the Company and such other entities (as of December 31, 2020)

Category	Name	Significant concurrent positions
Director	Shuichi Mori	Outside Director, TOKAI Cable Network Corporation
Director	Reiko Urade	Emeritus Professor, Kyoto University Research Professor, Institute for Integrated Radiation and Nuclear Science, Kyoto University
Director	Hiroyuki Ito	Emeritus Professor, Shiga University Professor, Faculty of Business Administration, Osaka University of Economics
Corporate Auditor	Katsuhiko Matsui	Certified Public Accountant and Certified Public Tax Accountant Representative, Matsui-jicpa Representative Partner, Sakura Horwath LLC
Corporate Auditor	Tsukasa Takahashi	Attorney at Law Representative, Katsube Takahashi Law Office Outside Corporate Auditor, Aeon Delight Co., Ltd. Outside Corporate Auditor, NIPPON SHOKUBAI CO., LTD.

Note: There are no special relationships between the Company and any of the entities described in “Significant concurrent positions” .

2) Main activities during the fiscal year under review

Category	Name	Status of main activities
Director	Shuichi Mori	Mr. Shuichi Mori attended all 14 of the Board of Directors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly based on many years of experience in corporate management.
Director	Reiko Urade	Ms. Reiko Urade attended all 14 of the Board of Directors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of a researcher in science.
Director	Hiroyuki Ito	Mr. Hiroyuki Ito attended all 11 of the Board of Directors Meetings held after his assuming the office of the Director on March 27, 2020 during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of a scholar of business administration.

Category	Name	Status of main activities
Corporate Auditor	Katsuhiro Matsui	Mr. Katsuhiro Matsui attended all 14 Board of Directors Meetings and all 13 Corporate Auditors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of a Certified Public Accountant and a Certified Public Tax Accountant.
Corporate Auditor	Tsukasa Takahashi	Mr. Tsukasa Takahashi attended all 14 of the Board of Directors Meetings and 13 Corporate Auditors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of an Attorney at Law.

3) Outline of the liability limitation agreement

The Company has concluded a liability limitation agreement with each of the Outside Directors and Outside Corporate Auditors. This agreement specifies that, in compliance with Article 427, Paragraph 1 of the Corporation Law, when each of Outside Directors or Outside Corporate Auditors bears liability for damage against the Company as stipulated in Article 423, Paragraph 1 of the Corporation Law, the relevant liability for damages shall be limited to the minimum liability for damages as stipulated in Article 425, Paragraph 1 of the Corporation Law, provided that said person executes his or her duties as Outside Directors or Outside Corporate Auditors in good faith and without gross negligence.

4. Status of Independent Auditor

(1) Name of Independent Auditor

KPMG AZSA LLC

(2) Amount of remuneration for Independent Auditor in the fiscal year under review

	Amount of remunerations
Amount of remuneration for auditing service stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law	¥63 million
Total amount of money and other property benefits that shall be paid by the Company and its subsidiaries	¥64 million

Notes: 1. In the auditing contract between the Company and the Independent Auditor, the amount of remuneration for auditing under the Corporation Law and the amount of remuneration for auditing under the Financial Instruments and Exchange Act have not been separated distinctly, nor can they be separated in essence. Accordingly, the above amount indicates the total of these amounts.

2. The Company commissioned the Independent Auditor to issue confirmation regarding application for reduction or exemption of the amount of charge imposed under the Feed-in Tariff Scheme for Renewable Energy in addition to service as provided in Article 2, Paragraph 1 of the Certified Public Accountants Act and paid fees for the services accordingly.

3. Five important subsidiaries of the Company listed in “(7) Status of important subsidiaries”

in “1. Status of Corporate Group” are audited by accounting firms other than the said Independent Auditor of the Company.

4. The Board of Corporate Auditors has given its consent to the amount of remuneration paid to the Independent Auditor as the Board of Corporate Auditors verified the details of the audit plan, status of performance of audit duties, grounds for calculation of estimated remuneration and other matters pertaining to the Independent Auditor and concluded that these were appropriate.

(3) Policy on decision to dismiss or not reappoint Independent Auditor

In cases where an Independent Auditor is considered to fall under any section of Article 340, Paragraph 1 of the Corporation Law, the Board of Corporate Auditors may dismiss said Independent Auditor upon unanimous consent of the Corporate Auditors.

In cases in which it is considered difficult for an Independent Auditor to execute its duties appropriately, as well as for reasons of the Company, pursuant to Article 344 of the Corporation Law, the Board of Corporate Auditors may decide the contents of proposal to be submitted to a shareholders’ meeting of the Company concerning dismissal or non-reappointment of the Independent Auditor.

5. Systems to ensure execution of duties by Directors complying with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of operations of stock companies

(1) Systems to ensure that the execution of duties by Directors and employees of the Company and its subsidiaries shall comply with laws and regulations and the Articles of Incorporation

The Company has established the Compliance Committee as a specialized body that continuously ensures compliance with laws and regulations and makes corporate ethics thoroughly known to comply with them within the Company Group, and the committee shall implement the following: [1] planning of revision of “Corporate Philosophy,” “The Company Group Code of Conduct,” and “Principles of Activities,” and planning, preparing and implementing various measures to disseminate such materials throughout the Company Group companies; [2] collecting and analyzing information about compliance including movement of social conditions, relevant laws and regulations at home and abroad, and providing training; and [3] operating an Internal Reporting System (Liaison Offices: Compliance Committee and a law firm). The details of these implemented actions are regularly reported to the Board of Directors and the Corporate Auditors.

The Internal Auditing Department (the Auditing Division) shall implement internal auditing of each division and all Group companies from an independent position based on internal auditing regulations and the auditing plan, and shall report on the status of implementation to the President as necessary.

(2) Systems for storage and management of information related to execution of duties by Directors

Documents concerning execution of duties by Directors (approval documents and other decision-making documents, minutes of a meetings, etc.) shall be kept and managed appropriately in compliance with laws and regulations as well as the document management rules and other rules set forth by the Company.

(3) Regulations and other systems concerning risk management for loss

The Company assesses risks periodically, identifies any management risks, and takes necessary measures to mitigate or eliminate them. Risks related business of the Company that it recognizes as important (such as those relating to compliance, finance, environment, disaster, trade control, information management, quality, product safety, safety, and health) shall be overseen by the responsible departments or by specialized committees through means such as establishing regulations and guidelines, providing training, and preparing manuals as the need arises.

As for risks that have newly arisen, the President will promptly determine the personnel responsible for them and implement countermeasures.

Issues of particular importance to management shall be discussed at and reported to the Board of Directors Meetings and the Management Committee.

(4) Systems to ensure efficient execution of duties by Directors

The Company has introduced the Executive Officer System and business group system approach in order to clarify management targets and efficiently operate business, and it will set an annual budget (business plan) by each business group and on a company-wide basis at the Board of Directors Meetings. In addition, the Company shall manage business achievements on a monthly basis and discuss and examine important management issues from various perspectives at the Board of Directors Meetings, meetings of the Management Committee, and meetings of business groups.

In order to make sure that necessary information is conveyed to interested parties and appropriate decisions are made on a timely basis, information technology such as electronic approval systems is utilized.

(5) Systems to ensure the appropriateness of operations of the Company Group comprising the Company and its subsidiaries

The Company has established and is ensuring compliance with the “Group Code of Conduct” and the “Principles of Activities”, which comprise the standards for judgement and behavior of Directors and employees of the Company Group, and it also operates the Internal Reporting System.

Furthermore, to ensure the appropriateness of the Company Group’s financial reporting, the Company Group companies have established and are operating the necessary organizational systems and the Internal Auditing Department (the Auditing Division) evaluates the validity of such systems.

Besides the above actions, the Company shall identify and resolves management issues of subsidiaries as deemed appropriate, by means such as dispatching Directors and Corporate Auditors to subsidiaries, determining Executive Officers in charge of each subsidiary, establishing a system for accepting consultations regarding execution of businesses, and having the administration departments of the Head Office or relevant business groups exchange information regularly with subsidiaries. In addition, risk surveys of the Company and its subsidiaries shall be regularly conducted, and the Company shall identify the risks for the Company Group to take measures as deemed appropriate. In particular, as for overseas

subsidiaries, the Company has prepared a list of matters to be reported to the Company in the event of large-scale natural disaster, etc., and in case of any problems shall, strive to identify them and implement countermeasures. The top management of the Company and subsidiaries shall hold meetings to improve management efficiency as the need arises.

To enhance the business efficiency of the Company Group, the Group Finance and the Group Common Accounting System are utilized.

(6) Matters related to employees assigned to assist Corporate Auditors in their duties and independence of such employees from Directors in the event of Corporate Auditors' request to appoint such employees

Employees who belong to the Administrative Division shall assist Corporate Auditors in their duties as the need arises. In the meantime, opinions of Corporate Auditors concerning transfer, etc. of such employees shall be respected.

(7) Systems concerning reporting to Corporate Auditors

Directors and employees shall report without delay before or after the fact on matters that would have an important influence on the Company Group. In addition, responsible personnel shall report on the status of operation of the Internal Reporting System and the status of implementation of internal auditing appropriately.

Directors and employees shall report promptly when requested to do so by Corporate Auditors.

In order to understand issues relating to auditing of subsidiaries, Corporate Auditors shall cooperate with Corporate Auditors of the subsidiaries appropriately.

(8) Systems to ensure that a person who has made reports to a Corporate Auditor does not receive disadvantageous treatment because of such reporting

The operation status of the Internal Reporting System is reported to Corporate Auditors appropriately. Dismissals or other disadvantageous treatments against reporters under the Internal Reporting System for the reason of such reporting shall be prohibited, as specified in rules set forth by the Company.

(9) Matters concerning policies regarding procedures for advance payments or reimbursements of costs arising from execution of duties of Corporate Auditors, and processing of other costs or liabilities arising from execution of such duties

Regarding costs arising from execution of duties of Corporate Auditors, payment processing shall be made based on a request from Corporate Auditors.

(10) Other systems to ensure that auditing by Corporate Auditors will be performed effectively

Corporate Auditors shall exchange opinions with the Representative Directors, the Independent Auditor, and the Auditing Division as deemed appropriate.

6. Summary of Status of operation of systems to ensure execution of duties by Directors complying with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of operations of stock companies

The status of operations is as follows.

(1) Key meetings

The following key meetings were held in the fiscal year under review.

The Board of Directors meetings were held 14 times. The Outside Director, who does not have interests with the Company, attended all of the meetings in order to ensure the legality of the execution of the Directors' duties and enhance the appropriateness and efficiency of the Directors' execution of duties. Each business group meeting was held on a monthly basis in principle, where progress on the budget, revisions to business plans and other matters were discussed. In addition, the Board of Corporate Auditors meetings were held 13 times, the Management Committee meetings were held 24 times and the Compliance Committee meetings were held 2 times.

(2) Corporate Auditors' execution of duties

Corporate Auditors carried out audits in line with the audit plans devised by the Board of Corporate Auditors. Corporate Auditors attended the Board of Directors meetings and other important meetings or reviewed related documents, such as the minutes of meetings to ascertain the process for important internal decision-making and the status of execution of duties. In addition, Corporate Auditors met as needed with the Company's Representative Directors, Directors, Vice Presidents, subsidiaries' Directors and so forth.

Corporate Auditors also met as needed with Independent Auditor, the Internal Auditing Department (the Auditing Division), and subsidiaries' Corporate Auditors to proactively work in closer cooperation with them.

(3) Internal auditing

The Internal Auditing Department (the Auditing Division) audited the operations of each division and Group companies in line with the prepared internal auditing plans for the purpose of helping to strengthen the Company Group's overall compliance. The audit results were reported to the President, the Board of Directors and the Board of Corporate Auditors.

(4) Risk identification and response

The Company identifies risks that could have a major impact on business operations in a timely and appropriate manner, carries out risk surveys to devise measures to avoid and mitigate such risks, evaluates risks based on survey results, and considers countermeasures. In addition,

business continuity plan (BCP) response drills are also conducted in preparation for disasters.

The Company also introduced the Internal Reporting System to include domestic and overseas companies of the Company Group.

(5) Status of implementation of key education and training

The Compliance Committee devises and implements compliance education plans.

The Company has designated October as the month for strengthening compliance. In the fiscal year under review, internal training sessions for Company employees, employees of domestic subsidiaries and employees of overseas subsidiaries were held, in addition, a seminar given by an outside instructor and aimed at top management, was held for Directors and Corporate Auditors, and executives.

In the fiscal year under review, training sessions on the Antitrust Act were given for relevant employees.

In addition, case sheets which introduce situations that employees are likely to encounter are distributed monthly for the purpose of raising compliance awareness.

Note: Monetary amounts and numbers of shares less than stated units in this business report are rounded down, whereas percentages and per-share data are rounded to the nearest unit.

Consolidated balance sheet

(As of December 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<u>Current assets</u>	246,399	<u>Current liabilities</u>	103,576
Cash and deposits	121,440	Notes and accounts payable - trade	28,501
Notes and accounts receivable - trade	59,286	Short-term loans payable	47,019
Merchandise and finished goods	35,317	Income taxes payable	1,533
Work in process	2,359	Provision for business restructuring	1,269
Raw materials and supplies	23,186	Provision for loss on closing plants	864
Other	4,973	Other provision	156
Allowance for doubtful accounts	(163)	Other	24,230
<u>Non-current assets</u>	411,739	<u>Non-current liabilities</u>	77,634
<u>Property, plant and equipment</u>	355,727	Bonds payable	20,000
Buildings and structures	71,738	Long-term loans payable	34,668
Machinery, equipment and vehicles	249,825	Deferred tax liabilities	9,225
Land	11,399	Provision for special repairs	9,341
Construction in progress	19,532	Other provision	20
Other	3,232	Net defined benefit liability	1,035
<u>Intangible assets</u>	5,207	Other	3,350
<u>Investments and other assets</u>	50,804	<u>Total liabilities</u>	181,219
Investment securities	47,434	(Net assets)	
Deferred tax assets	1,846	<u>Shareholders' equity</u>	467,425
Other	1,543	Capital stock	32,155
Allowance for doubtful accounts	(21)	Capital surplus	34,310
		Retained earnings	411,137
		Treasury shares	(10,178)
		<u>Accumulated other comprehensive income</u>	4,773
		Valuation difference on available-for-sale securities	18,775
		Deferred gains or losses on hedges	98
		Foreign currency translation adjustment	(14,101)
		<u>Non-controlling interests</u>	4,721
		<u>Total net assets</u>	476,920
<u>Total assets</u>	658,139	<u>Total liabilities and net assets</u>	658,139

Note: Amounts less than ¥1 million are rounded down.

Consolidated statement of income

(From January 1, 2020 to December 31, 2020)

(Millions of yen)

Item	Amount	
Net sales		242,886
Cost of sales		191,429
Gross profit		51,456
Selling, general and administrative expenses		33,795
Operating profit		17,660
Non-operating income		
Interest income	710	
Dividend income	1,102	
Subsidy income	477	
Foreign exchange gains	935	
Other	1,205	4,431
Non-operating expenses		
Interest expenses	587	
Depreciation of inactive non-current assets	1,228	
Loss on retirement of non-current assets	480	
Other	687	2,983
Ordinary profit		19,109
Extraordinary income		
Reversal of provision for special repairs	2,941	
Gain on sales of investment securities	2,592	
Others	938	6,472
Extraordinary losses		
Impairment loss	2,419	
Loss on accident	1,525	
Business restructuring expenses	1,336	
Other	403	5,685
Profit before income taxes		19,896
Income taxes - current	3,936	
Income taxes - deferred	435	4,372
Profit		15,524
Profit attributable to non-controlling interests		271
Profit attributable to owners of parent		15,252

Note: Amounts less than ¥1 million are rounded down.

Consolidated statement of changes in equity
(From January 1, 2020 to December 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,358	405,560	(10,258)	461,815
Changes of items during period					
Dividends of surplus			(9,663)		(9,663)
Profit attributable to owners of parent			15,252		15,252
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(47)		81	34
Other			(12)		(12)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(47)	5,576	80	5,610
Balance at end of current period	32,155	34,310	411,137	(10,178)	467,425

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	21,147	48	(10,981)	10,215	5,123	477,154
Changes of items during period						
Dividends of surplus						(9,663)
Profit attributable to owners of parent						15,252
Purchase of treasury shares						(0)
Disposal of treasury shares						34
Other						(12)
Net changes of items other than shareholders' equity	(2,371)	50	(3,120)	(5,441)	(402)	(5,844)
Total changes of items during period	(2,371)	50	(3,120)	(5,441)	(402)	(234)
Balance at end of current period	18,775	98	(14,101)	4,773	4,721	476,920

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated balance sheet

(As of December 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<u>Current assets</u>	146,041	<u>Current liabilities</u>	94,773
Cash and deposits	67,290	Accounts payable – trade	24,235
Notes receivable - trade	1,330	Short-term loans payable	39,696
Accounts receivable – trade	34,775	Accounts payable – other	5,713
Merchandise and finished goods	16,603	Accrued expenses	5,491
Work in process	5,108	Income taxes payable	301
Raw materials and supplies	13,147	Advances received	13,751
Other	7,932	Provision for loss on closing plants	864
Allowance for doubtful accounts	(148)	Other provision	70
		Other	4,649
<u>Non-current assets</u>	439,562	<u>Non-current liabilities</u>	66,645
<u>Property, plant and equipment</u>	185,293	Bonds payable	20,000
Buildings and structures	29,875	Long-term loans payable	29,394
Machinery and equipment	140,318	Deferred tax liabilities	5,027
Vehicles, tools, furniture and	1,167	Provision for special repairs	9,341
Land	6,035	Provision for loss on guarantees	2,586
Construction in progress	7,894	Other provision	31
Other	2	Other	264
<u>Intangible assets</u>	1,539	<u>Total liabilities</u>	161,418
<u>Investments and other assets</u>	252,728	(Net assets)	
Investment securities	43,832	<u>Shareholders' equity</u>	405,417
Shares of subsidiaries and associates	121,641	Capital stock	32,155
Investments in capital of subsidiaries and associates	45,151	Capital surplus	34,295
Long-term loans receivable	43,841	Legal capital surplus	33,885
Other	694	Other capital surplus	409
Allowance for doubtful accounts	(2,433)	Retained earnings	349,144
		Legal retained earnings	2,988
		Other retained earnings	346,156
		General reserve	205,770
		Retained earnings brought forward	140,386
		Treasury shares	(10,178)
		<u>Valuation and translation adjustments</u>	18,767
		Valuation difference on available-for-sale securities	18,775
		Deferred gains or losses on hedges	(8)
		<u>Total net assets</u>	424,184
<u>Total assets</u>	585,603	<u>Total liabilities and net assets</u>	585,603

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated statement of income
(From January 1, 2020 to December 31, 2020)

(Millions of yen)

Item	Amount	
Net sales		115,001
Cost of sales		92,511
Gross profit		22,489
Selling, general and administrative expenses		17,163
Operating profit		5,326
Non-operating income		
Interest and dividend income	6,336	
Other	1,732	8,069
Non-operating expenses		
Interest expenses	254	
Depreciation of inactive non-current assets	880	
Loss on retirement of non-current assets	439	
Other	500	2,075
Ordinary profit		11,319
Extraordinary income		
Reversal of provision for special repairs	2,941	
Gain on sales of investment securities	2,592	
Gain on sales of non-current assets	1,101	
Others	69	6,704
Extraordinary losses		
Provision of allowance for doubtful accounts	1,423	
Impairment loss	829	
Loss on accident	734	
Other	443	3,429
Profit before income taxes		14,594
Income taxes - current	936	
Income taxes - deferred	(430)	505
Profit		14,088

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated statement of changes in equity
(From January 1, 2020 to December 31, 2020)

(Millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other Retained earnings			Total retained earnings		
						Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance at beginning of current period	32,155	33,885	456	34,342	2,988	1	205,770	135,959	344,719	(10,258)	400,958
Changes of items during period											
Changes of reserve for special depreciation						(1)		1	-		-
Dividends of surplus								(9,663)	(9,663)		(9,663)
Profit								14,088	14,088		14,088
Purchase of treasury shares										(0)	(0)
Disposal of treasury shares			(47)	(47)						81	34
Net changes of items other than shareholders' equity											
Total changes of items during period	-	-	(47)	(47)	-	(1)	-	4,427	4,425	80	4,459
Balance at end of current period	32,155	33,885	409	34,295	2,988	-	205,770	140,386	349,144	(10,178)	405,417

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	21,147	(237)	20,910	421,868
Changes of items during period				
Changes of reserve for special depreciation				-
Dividends of surplus				(9,663)
Profit				14,088
Purchase of treasury shares				(0)
Disposal of treasury shares				34
Net changes of items other than shareholders' equity	(2,371)	228	(2,142)	(2,142)
Total changes of items during period	(2,371)	228	(2,142)	2,316
Balance at end of current period	18,775	(8)	18,767	424,184

Note: Amounts less than ¥1 million are rounded down.

(Reference)**Consolidated statement of cash flows (Summary)**

(From January 1, 2020 to December 31, 2020)

(Millions of yen)

Item	Amount
Net cash provided by (used in) operating activities	47,861
Profit before income taxes	19,896
Depreciation	24,931
Impairment loss	2,419
Decrease in provision for special repairs	(2,525)
Foreign exchange gains	(769)
Increase in notes and accounts receivable – trade	(5,442)
Decrease in inventories	20,208
Decrease in notes and accounts payable - trade	(7,390)
Income taxes paid	(2,727)
Other, net	(739)
Net cash provided by (used in) investing activities	(19,759)
Purchases of non-current assets	(25,171)
Proceeds from sales of investment securities	4,434
Other, net	977
Net cash provided by (used in) financing activities	(7,739)
Net increase in long- and short-term loans payable	13,301
Redemption of bonds	(10,000)
Cash dividends paid	(9,660)
Dividends paid to non-controlling interests	(674)
Other, net	(706)
Effect of exchange rate change on cash and cash equivalents	(124)
Net increase in cash and cash equivalents	20,238
Cash and cash equivalents at beginning of period	100,977
Cash and cash equivalents at end of period	121,215

Note: Amounts less than ¥1 million are rounded down