TRANSLATION FOR REFERENCE ONLY

(Securities Identification Code: 5214)
March 5, 2026

Notice of the 107th Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be advised that the 107th Ordinary General Meeting of Shareholders will be held as follows.
When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of the Business Report, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts such information on the Company's special website (Japanese only). Please access the website using the internet address shown below to review the information.

Special website:
https://d.sokai.jp/5214/teiji/

Matters for which measures for providing information in electronic format are to be taken are posted on the website of Tokyo Stock Exchange, Inc. (TSE) in addition to the website above. Please access the TSE website (Listed Company Search) below, and input and search "Nippon Electric Glass" on the "Issue name (company name)" section or the Company's securities code "5214" on the "Code" section. Next, please select "Basic information" and then "Documents for public inspection/PR information," and review the "Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting" section on the "Filed information available for public inspection."

TSE website (Listed Company Search)
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you are unable to attend the meeting in person, you can exercise your voting rights via writing or the Internet, etc. Please review the Reference Documents for the Ordinary General Meeting of Shareholders described below and exercise your voting rights in line with the "Instructions on Voting" on the next page.

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

1. Date and Time: Friday, March 27, 2026, from 10:00 a.m.
2. Venue: NIHO
15-8, Gotenhama, 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 107th fiscal year (from January 1, 2025 to December 31, 2025)
2. Non-consolidated financial statements for the 107th fiscal year (from January 1, 2025 to December 31, 2025)

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Proposals:

Proposal 1: Distribution of Surplus
Proposal 2: Election of Seven (7) Directors
Proposal 3: Election of One (1) Corporate Auditor
Proposal 4: Election of One (1) Substitute Corporate Auditor

"Instructions on Voting"



Attending the Meeting in Person

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



Voting by Mail

Please indicate your approval or disapproval of the proposals in the 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 26, 2026 (Thursday).



Voting via the Internet, etc.

Please enter your approval or disapproval of the proposals via the Internet, etc. by 5:00 pm on March 26, 2026 (Thursday).

(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.
(3) If an approval or disapproval of a proposal is not indicated on the voting form through which voting rights are exercised in writing, the Company will handle it as an indication of an approval.

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* Among matters for which measures for providing information in electronic format are to be taken, "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements are not provided in the documents delivered to shareholders who have requested the delivery of paper-based documents as provided for by the provisions of laws and regulations and the Articles of Incorporation of the Company. Accordingly, such documents are part of the documents included in the scope of audits by the Corporate Auditors and the Independent Auditor when they create their respective audit reports.
* If there are any amendments to the matters for which measures for providing information in electronic format are to be taken, such amendments will be posted on the online special website above and the TSE website.

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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 profit to shareholders that is not significantly affected by fluctuations in earnings, the Company decides on dividend payments, while taking its performance and financial situation into account.

For year-end dividends for the fiscal year under review, we will pay JPY 80 per share. As a result, the annual dividend for the fiscal year will be JPY 150 per share, including the interim dividend of JPY 70, representing an increase of JPY 20 from the previous year's annual dividend per share of JPY 130.

(1) Type of dividend assets:
Cash

(2) Matters related to allocation of dividend assets to shareholders and the total amount thereof:
JPY 80 per share of common stock of the Company; a total amount of JPY 6,018,264,560

(3) Effective date of distribution of surplus:
March 30, 2026

(Reference) Shareholder return policy

The Company has established a policy on shareholder return in the Medium-term Business Plan "EGP2028" (Period from fiscal year 2024 to 2028) as follows.

Approach	● Based on a basic policy of maintaining a long-term and stable return of profit to shareholders that is not significantly affected by fluctuations in earnings. ● We will work to enhance shareholder returns while managing our balance sheet in consideration of financial stability and capital efficiency, and securing retained earnings to prepare for further growth.
Dividend	● Continuous expansion of dividend: Toward a target DOE of 3%: Based on stable dividend, enhance dividends based on performance, financial condition, growth investment, etc.
Share Buyback	● Plan to carry out share repurchases of 100 billion yen in total over the five-year period from November 2023 to December 2028 in order to improve capital efficiency.

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Proposal 2: Election of Seven (7) Directors

The terms of office for all seven (7) Directors will expire as of the close of this Ordinary General Meeting of Shareholders. We propose the election of seven (7) Directors.

The candidates for Directors are as follows:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Brief personal profile, position, responsibilities and significant concurrent positions</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">1</td><td>
Motoharu Matsumoto
(May 30, 1957)
(Reappointed)</td><td>Apr. 1982: Joined Nippon Electric Glass
Apr. 2007: Vice President
June 2011: Director,
Senior Vice President
Apr. 2013: Executive Vice President
Mar. 2015: Representative Director, President
CEO
Jan. 2023: Representative Director,
Chairman of the Board (Incumbent)</td><td>38,200</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate]
Mr. Motoharu Matsumoto, after serving as President of a UK subsidiary and a U.S. subsidiary, General Manager of the Finance Division, and Group General Manager of the Display Glass Group, promoted the stabilization of the Group businesses, such as strengthening business foundation and developing innovative manufacturing process technologies, as President for eight years and also steadily implemented measures such as aggressive investment in growth markets. Since January 2023, he has served as the Chair of the Board of Directors as the Chairman of the Board of Directors while serving as 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.
[Status of attendance at the Board of Directors meeting]
18 of 18 times (100%)
[Number of years served as a director]
14 years and 9 months (Upon the conclusion of this General Meeting of Shareholders)</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Brief personal profile, position, responsibilities and significant concurrent positions</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">2</td><td>
Akira Kishimoto
(December 13, 1962)
(Reappointed)</td><td>Apr. 1985: Joined Nippon Electric Glass
Apr. 2012: General Manager, Electronic Products Division, Production, Electronic Products Group
Apr. 2013: Vice President
Jan. 2016: Group General Manager, Electronic Products Group
Oct. 2017: Group General Manager, Consumer Glass Products Group
Jan. 2019: Senior Vice President
Jan. 2023: CEO (Incumbent)
Mar.2023: Representative Director, President (Incumbent)
[Assignment of work for an executive officer]
In charge of Auditing</td><td>10,000</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate]
Mr. Akira Kishimoto, during serving as Group General Manager of Electronic Products Group and Group General Manager of Consumer Glass Products Group, worked towards establishing a global production structure and strengthening product development capabilities in each business. Since his appointment as CEO, he has engaged in business restructuring, revisions to the development framework, etc., formulated “EGP2028” in 2024, and undertaken 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]
18 of 18 times (100%)
[Number of years served as a director]
3 years (Upon the conclusion of this General Meeting of Shareholders)</td></tr>
<tr><td rowspan="2">3</td><td>
Mamoru Morii
(August 18, 1962)
(Reappointed)</td><td>Apr. 1985: Joined Nippon Electric Glass
Jun. 2014: General Manager, Finance
Jan. 2017: Vice President
Jan. 2021: Senior Vice President (Incumbent)
Mar.2022: Director (Incumbent)
[Assignment of work for an executive officer]
Supervising General Affairs, Human Resources, Finance, Purchasing and Information Systems.
In charge of Corporate Strategy, Corporate Communication, Marketing, Sales Management, Tokyo Branch Office and Security Trade Control.</td><td>10,800</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate]
Mr. Mamoru Morii has served at important posts in administration divisions, such as General Manager of the Finance Department. He has participated in overseas expansion projects and served as vice president of a Chinese subsidiary, and has abundant experience and insight regarding management of the Group. Furthermore, he is currently playing a role in management areas such as the Group’s global business strategy and finance as the 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]
18 of 18 times (100%)
[Number of years served as a director]
4 years (Upon the conclusion of this General Meeting of Shareholders)</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Brief personal profile, position, responsibilities
and significant concurrent positions</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">4</td><td>
Reiko Urade
(February 6, 1953)
(Reappointed)
(Outside)
(Independent)</td><td>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</td><td>None</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate and summary of expected role]
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 expects her to draw on her knowledge and experience in ways beneficial for the Company’s management and to provide supervision, advice, and so forth regarding the execution of business. Furthermore, if she is elected, the Company intends that as a member of the Nomination and Remuneration Advisory Committee, she should be involved in an independent capacity in the appointment and dismissal of Representative Directors and the determination of remuneration, etc. for Directors. 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]
18 of 18 times (100%)
[Number of years served as a director]
7 years (Upon the conclusion of this General Meeting of Shareholders)</td></tr>
</table>

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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Brief personal profile, position, responsibilities and significant concurrent positions</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">5</td><td>
Yoshio Ito
(March 18, 1953)
(Reappointed)
(Outside)
(Independent)</td><td>Apr. 1973: Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)
Jun. 2014: Representative Director, Senior Managing Director, Panasonic Corporation
Apr. 2017: Representative Director, Vice President, Panasonic Corporation
Jun. 2017: Representative Director, Executive Vice President, Panasonic Corporation
Jun. 2019: Retired from Panasonic Corporation
Mar. 2022: Director of the Company (Incumbent)
[Significant Concurrent Position]
Outside Director, Kameda Seika Co., Ltd.</td><td>None</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate and summary of expected role]
Mr. Yoshio Ito has served as Representative Director, Senior Managing Director, and Executive Vice President of Panasonic Corporation (currently Panasonic Holdings Corporation). He has been involved in the management of the company for many years, and has expertise and extensive experience regarding corporate management. The Company expects him to draw on him knowledge and experience in ways beneficial for the Company’s management and to provide supervision, advice, and so forth regarding the execution of business. Furthermore, if he is elected, the Company intends that as a chairman of the Nomination and Remuneration Advisory Committee, he should be involved in an independent capacity in the appointment and dismissal of Representative Directors and the determination of remuneration, etc. for Directors.
[Status of attendance at the Board of Directors meeting]
18 of 18 times (100%)
[Number of years served as a director]
4 years (Upon the conclusion of this General Meeting of Shareholders)</td></tr>
</table>

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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Brief personal profile, position, responsibilities
and significant concurrent positions</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">6</td><td>
Nahomi Aoto
(May 26, 1958)
(Reappointed)
(Outside)
(Independent)</td><td>Apr. 1983: Joined NEC Corporation
Dec. 2011: Vice President, Elpida Memory, Inc (currently Micron Memory Japan, K.K.)
Apr. 2015: Sr. Director, Responsible for the Development of DRAM and New Memory Processes, Technology Development Division, Micron Technology, Inc (U.S.)
Nov. 2017: Sr. Director, Responsible for the Development of DRAM Processes, Technology Development Division, Micron Memory Japan, K.K.
Aug. 2023: Professor by Special Designation, Research Institute for Semiconductor Engineering, Hiroshima University (Incumbent)
Specially Appointed Visiting Professor, Center for Innovative Integrated Electronic Systems, Tohoku University (Incumbent)
Mar. 2024: Director of the Company (Incumbent)
[Significant Concurrent Position]
Professor by Special Designation,
Research Institute for Semiconductor Engineering,
Hiroshima University
Specially Appointed Visiting Professor,
Center for Innovative Integrated Electronic Systems,
Tohoku University
Outside Director, RORZE CORPORATION</td><td>None</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate and summary of expected role]
Ms. Nahomi Aoto has served in a number of positions, including Vice President of Elpida Memory, Inc., the predecessor of Micron Memory Japan, K.K., and as the person responsible for the technological development division of Micron Memory Japan, K.K. In addition to her strong track record in the technological development divisions of global companies, she has been involved in human resources development and possesses expert knowledge and abundant experience in technological development. The Company expects her to draw on her knowledge and experience in ways beneficial for the Company's management and to provide supervision, advice, and so forth regarding the execution of business. Furthermore, if she is elected, the Company intends that as a member of the Nomination and Remuneration Advisory Committee, she should be involved in an independent capacity in the appointment and dismissal of Representative Directors and the determination of remuneration, etc. for Directors. 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]
18 of 18 times (100%)
The attendance at the Board of Directors meeting for Ms. Nahomi Aoto represents her attendance since March 2024 when she assumed the position of Director.
[Number of years served as a director]
2 years (Upon the conclusion of this General Meeting of Shareholders)</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Brief personal profile, position, responsibilities and significant concurrent positions</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">7</td><td>
Katsura Nakano
(May 14, 1963)
(New)
(Outside)
(Independent)</td><td>Dec. 2009: Professor, Faculty of Economics, Shiga University (Incumbent)
Apr. 2012: Director, Research Center for Sustainability and Environment Research Center for Sustainability and Environment, Shiga University
2013: Visiting Research Fellow, Economic and Social Research Institute, Cabinet Office, Government of Japan
Oct. 2017: Visiting Academics, Waikato Management School, University of Waikato
Feb. 2018: Visiting Professor, Centre for Japanese Research, University of British Columbia
Oct. 2020: Dean, Faculty of Economics, Shiga University
Apr. 2024: Vice President for a Special Mission, Shiga University (Incumbent)
[Significant Concurrent Position]
Professor, Faculty of Economics, Shiga University
Vice President for a Special Mission, Shiga University</td><td>None</td></tr>
<tr><td colspan="3">[Reasons for selection as Director candidate and summary of expected role]
Mr. Katsura Nakano possesses expert knowledge and abundant experience in industrial organization as an economist. In addition to his strong track record in the fields of environmental policy and applied microeconomics, he has been involved in human resources development in these areas. In recent years, he has also been actively engaged in regional revitalization initiatives.
The Company expects him to draw on his knowledge and experience in ways beneficial for the Company's management and to provide supervision, advice, and so forth regarding the execution of business. Furthermore, if he is elected, the Company intends that as a member of the Nomination and Remuneration Advisory Committee, he should be involved in an independent capacity in the appointment and dismissal of Representative Directors and the determination of remuneration, etc. for Directors. He has no experience of involvement in corporate management; 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.</td></tr>
</table>

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. The name of Nahomi Aoto on the family register is Nahomi Ota.
4. Ms. Reiko Urade, Mr. Yoshio Ito, Ms. Nahomi Aoto and Mr. Katsura Nakano satisfy the Independence Standards set forth by the Company (see page 12), and the Company judges that there is no issue regarding their independence. Furthermore, they are candidates for Independent Directors pursuant to the provisions of Tokyo Stock Exchange, Inc.
5. The Company has respectively entered into a limitation of liability agreement with Ms. Reiko Urade, Mr. Yoshio Ito and Ms. Nahomi Aoto with respect to their duty as an Outside Director of the Company that limits their liability for damages to the Company pursuant to Article 423(1) of the Companies Act up to the sum total of the amounts listed in the items of Article 425(1) of the Companies Act ("the Limitation of Liability Agreement for Outside Director"). Provided that they are reappointed as Outside Director, they and the Company will continue the Limitation of Liability Agreement for Outside Director. In addition, Provided that Mr. Katsura Nakano is appointed as Outside Director, he and the Company will execute the Limitation of Liability Agreement for Outside Director of the same content as the above.
6. Having entered into a liability insurance policy for corporate officers, etc. pursuant to Article 430-3(1) of

the Companies Act with an insurance company, the Company intends to renew the policy in April 2026. The insurance policy covers damages that may arise as a result of insured parties including Directors of the Company for execution of their professional duties, or as a result of such insured parties becoming subject to a legal claim pursuing such liability. If the election of the candidates for Director is approved, they will be included in the insured parties of this insurance policy.

Proposal 3: Election of One (1) Corporate Auditor

The terms of office for Corporate Auditor Mr. Yukihiro Yagura will expire as of the close of this Ordinary General Meeting of Shareholders. We propose the election of one (1) Corporate Auditor.

The Board of Corporate Auditors has already approved this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Brief personal profile, position and significant concurrent positions	Number of the Company shares held
 Yuichiro Katsura (May 5, 1969) (New) (Outside) (Independent)	Oct. 1999: Joined Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC) Jun. 2003: Registered as a Certified Public Accountant Oct. 2024: Established Katsura Certified Public Accountant Office (Incumbent) Representative Director of KMT Partners Inc. (Incumbent) Feb. 2025: Representative Partner of Lexicom Audit Corporation (Incumbent) [Significant Concurrent Position] Representative, Katsura Certified Public Accountant Office Representative Director, KMT Partners Inc. Representative Partner, Lexicom Audit Corporation	None
[Reasons for selection as Corporate Auditor candidate] Mr. Yuichiro Katsura has expertise and extensive experience as a Certified Public Accountant and a Certified Public Tax Accountant. The Company proposes that Mr. Yuichiro Katsura be elected as the 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; 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. Mr. Yuichiro Katsura satisfies the Independence Standards set forth by the Company (see page 12), and the Company has determined that there is no issue regarding his independence. Furthermore, he is a candidate for Independent Corporate Auditor pursuant to the provisions of the Tokyo Stock Exchange, Inc.
3. Provided that Mr. Yuichiro Katsura is appointed as Outside Corporate Auditor, he and the Company will execute a limitation of liability agreement with respect to his duty as an Outside Corporate Auditor of the Company that limits his liability for damages to the Company pursuant to Article 423(1) of the Companies Act up to the sum total of the amounts listed in the items of Article 425(1) of the Companies Act.
4. Having entered into a liability insurance policy for corporate officers, etc. pursuant to Article 430-3(1) of the Companies Act with an insurance company, the Company intends to renew the policy in April 2026. The insurance policy covers damages that may arise as a result of insured parties including Corporate Auditors of the Company for execution of their professional duties, or as a result of such insured parties becoming subject to a legal claim pursuing such liability. If the election of the candidates for Corporate Auditor is approved, he will be included in the insured parties of this insurance policy.

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(Reference) Director and Corporate Auditor System and Skill Matrix if Proposals 2 and 3 are Approved

The following presents the knowledge, experience, and capabilities that are particularly expected to be demonstrated by Directors and Corporate Auditors to improve the functions of the Board of Directors.

Name	Position in the Company	Outside Indepen-dent	Gender	Nomination and Remuneration Advisory Committee (✓✓ indicates chairperson)	Major knowledge, experience, and capabilities						
					Corporate manage-ment and Business strategy	Finance and Accounting	Legal and compliance	R&D, Process Deve-lopment and Quality	Sales and Marketing	Global	Sustainability
Motoharu Matsumoto	Chairman of the Board (Representative)		Male	✓	✓	✓	✓		✓	✓	✓
Akira Kishimoto	President (Representative)		Male	✓	✓		✓	✓	✓	✓	✓
Mamoru Morii	Director		Male		✓	✓	✓		✓	✓	✓
Reiko Urade	Director	✓	Female	✓				✓			✓
Yoshio Ito	Director	✓	Male	✓✓	✓			✓	✓	✓	
Nahomi Aoto	Director	✓	Female	✓				✓		✓	
Katsura Nakano	Director	✓	Male	✓	✓		✓			✓	
Yoshihisa Hayashi	Full-time Corporate Auditor		Male				✓				✓
Toshiharu Narita	Full-time Corporate Auditor		Male				✓	✓			✓
Hiroji Indoh	Corporate Auditor	✓	Male				✓				
Yuichiro Katsura	Corporate Auditor	✓	Male			✓					

(Note) The position in the Company and status of chairperson or member of the Nomination and Remuneration Advisory Committee are those after this Ordinary General Meeting of Shareholders (scheduled for election at a Board of Directors meeting to be held after the close of this Ordinary General Meeting of Shareholders).

Skills	Reason for selecting skill
Corporate management and Business strategy	Working to realize sustainable growth and corporate value enhancements, the Company needs the knowledge, experience and capabilities related to corporate management and business strategies to make judgments on management plans and strategic policies, including portfolio management.
Finance and Accounting	Efficient business operations and efficient use of capital are important to ensure accurate financial reporting and enhance the corporate value, and knowledge, experience and capabilities concerning finance and accounting are necessary for formulating and executing such financial strategic policy.
Legal and Compliance	Knowledge, experience and capabilities concerning the legal affairs and compliance are necessary to implement appropriate governance and compliance systems in business activities and increase the effectiveness of management supervision in the Board of Directors.
R&D, Process Development and Quality	Knowledge, experience and capabilities concerning development, the manufacturing process and quality are necessary to strengthen existing businesses and expand strategic businesses through realizing a unified development comprising material development, process development, and product development as well as speeding up product development and commercialization.
Sales and Marketing	In order to strengthen existing businesses and expand strategic businesses as well as uphold "customer first" as one of "our values," knowledge, experience and capabilities concerning sales and marketing are necessary to provide the swift responses to meet customer needs and develop the seeds of new business.
Global	In order to fulfill our vision of "The world's leading manufacturer of special glass" and achieve the targets of the medium-term business plan, swift overseas business development is essential and a deep understanding and respect for each country's culture and diversity are necessary.
Sustainability	As businesses have recently faced an increasing number of challenges in maintaining sustainable growth, such as addressing the issues of climate change, human capital, and human rights, they are being urged by society more strongly than ever to solve social problems through their corporate operations and improve information disclosure. The knowledge, experience and capabilities concerning sustainability are necessary in order to respond to such challenges.

(Reference) Independence Standards for Outside Directors and Outside Corporate Auditors

The Company has established the following independence standards for its outside officers (Outside Directors and Outside Corporate Auditors), and any officer to which any of the following applies shall be deemed not to have independence from the Company.

1. Persons who are currently or in the past ten years have been executives (Note 1) at either the Company or its subsidiaries
2. Persons who are main transaction partners (Note 2) or executives at main transaction partners of the Company or its subsidiaries (collectively, the "Company Group")
3. Persons who are principal shareholders (persons directly or indirectly owning 10% or more of the Company's total voting rights) or executives of principal shareholders in the Company
4. Persons or executives thereof in which the Company Group directly or indirectly owns 10% or more of the total voting rights
5. Consultants, accounting specialists, and legal specialists receiving large amounts of funds or other assets (Note 3) from the Company Group aside from officer compensation (where the party receiving such assets is a group such as a corporation or association, this shall refer to a person belonging to such group).
6. Persons belonging to the audit corporation that acts as the Company's accounting auditor
7. Persons receiving large donations (Note 4) from the Company Group (where the party receiving such donations is a group such as a corporation or association, this shall refer to a person belonging to such group)
8. Where an executive of the Company Group serves as an outside officer at another company, executives at that company
9. Any person to which the above 2. to 8. apply within the past three years
10. The spouse or second-degree relative of a person to which the above 2. through 9. apply (limited to persons in important positions (Note 5))

(Note 1) "Executives" refers to Director, Executive Officers, Operating Officers, employees and Administrative Officers who execute business, and other similar persons and employees who execute business of corporations or other groups.

(Note 2) The Company Group's main transaction partners refers to (i) parties for which the amount of the transactions (funds associated with the provision of products and services and procurement) between the Company Group and the transaction partner in the most recent fiscal year make up exceed 2% of the consolidated net sales of either party, (ii) parties for which borrowings from the party to the Company Group in the most recent fiscal year make up exceed 2% of the Company Group's consolidated total assets. (Financial institutions from which the Company Group borrows are limited to those that are absolutely essential and irreplaceable in procuring funds for the Company Group.)

(Note 3) Large amounts of funds or other assets refers to profit in the form of funds or other assets exceeding JPY 10 million annually in the most recent fiscal year aside from director and officer compensation. (where the party receiving such assets is a group such as a corporation or association, this shall refer to profit in the form of funds or other assets making up exceed 2% of the group in question's total income in the most recent fiscal year.)

(Note 4) Large donations refers to an amount exceeding an average of JPY 10 million annually in the past three fiscal years or 2% of the organization in question's total income in the most recent fiscal year, whichever is larger.

(Note 5) Persons in important positions refers to Directors (excluding Outside Directors), Executive Officers, Operating Officers, employees in upper management positions at the General Manager level or higher, certified public accountants belonging to audit corporations, attorneys belonging to law offices, and other persons objectively and rationally deemed to have a similar level of importance.

Where transactions and donations associated with independent officers satisfy the following insignificance standards, and are deemed not to risk affecting decision-making in the exercise of shareholder voting rights, such transactions do not need to be listed.

<Insignificance Standards to Deem that Transactions do not Affect the Exercise of Shareholder Voting Rights>

1. Transactions
   - The amounts of transactions (funds associated with the provision of products and services and procurement) between the Company Group and the transaction partner in the most recent fiscal year make up less than 1% of the consolidated net sales of each party
2. Donations
   - The amount of donations does not exceed JPY 5 million annually or 1% of total income of the organization in question in the most recent fiscal year, whichever is larger

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Proposal 4: 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
 Kaori Oishi (April 21, 1977) (Outside) (Independent)	Oct. 2001: Registered as an Attorney at Law Joined Kitahama Law Office (Currently Kitahama Partners - Foreign Law Joint Enterprise) Jan. 2013: Partner, Kitahama Partners - Foreign Law Joint Enterprise (Incumbent) [Significant Concurrent Position] Partner, Kitahama Partners - Foreign Law Joint Enterprise Outside Director, PALTAC CORPORATION Outside Director, TOWA PHARMACEUTICAL CO., LTD. (Audit & Supervisory Committee Member) Outside Director, ESLEAD CORPORATION	None
[Reasons for selection as substitute Corporate Auditor candidate] Ms. Kaori Oishi has expertise and extensive experience as an Attorney at Law. The Company proposes that Ms. Oishi be elected as the substitute Corporate Auditor in the hope that she will reflect such expertise and experience when auditing the Company. 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 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. Ms. Kaori Oishi is a candidate for substitute Outside Corporate Auditor. She satisfies the Independence Standards set forth by the Company (see page 12), and the Company judges that there is no issue regarding her independence. In addition, she fulfills the requirements for the Independent Corporate Auditor pursuant to the provisions of Tokyo Stock Exchange Inc. If she assumes the office of Outside Corporate Auditor, the Company plans to submit notification to the aforementioned Exchange concerning her appointment as an Independent Auditor.
3. If Ms. Kaori Oishi assumes the office of Outside Corporate Auditor, the Company intends to enter into an agreement with her concerning liability for damages as stipulated in Article 423(1) of the Companies Act. This agreement shall limit her liability for damages to the minimum liability amount stipulated in Article 425(1) of the Companies Act.
4. Having entered into a liability insurance policy for corporate officers, etc. pursuant to Article 430-3(1) of the Companies Act with an insurance company, the Company intends to renew the policy in April 2026. The insurance policy covers damages that may arise as a result of insured parties including Corporate Auditors of the Company for execution of their professional duties, or as a result of such insured parties becoming subject to a legal claim pursuing such liability. Ms. Kaori Oishi shall become an insured party if she assumes the office of Outside Corporate Auditor.

Business Report for the 107th Fiscal Year

Period from January 1, 2025 to December 31, 2025

1. Status of Corporate Group

(1) Progress and results of operations

Overall trend

In the fiscal year under review, the global economy remained uncertain due to trends in the U.S. tariff policy, the slowdown of the Chinese economy, and further rising geopolitical tensions in the Middle East.
Despite this environment, the Group's net sales for the fiscal year under review exceeded the net sales for the previous fiscal year (January 1 to December 31,2024) due to continued strong demand in the displays business and strong performance in the electronics business. Operating profit, ordinary profit and the profit attributable to owners of parent all increased significantly year on year due to improved production efficiency and expanded sales of high value-added products.

Consolidated results of operations for the fiscal year under review

	106th Fiscal Year (January 2024 to December 2024)	107th Fiscal Year (January 2025 to December 2025)
	Millions of JPY	Millions of JPY
Net sales	299,237	311,402
Operating profit	6,120	34,131
Ordinary profit	12,417	37,740
Profit attributable to owners of parent	12,091	29,616

Sales by business category are as follows:

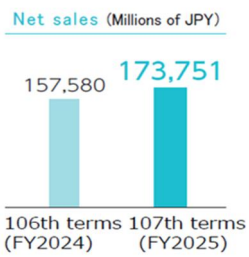
Electronics and Information Technology
(Displays and Electronics)

Net sales JPY 173,751million Up 10.3% year on year



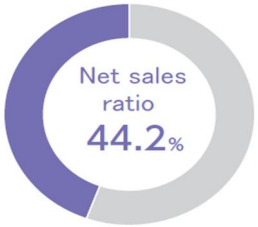
In the displays business, net sales exceeded the previous year's net sales due to continued strong demand throughout the year and increase in selling prices. In the electronics business, net sales increased year on year due to strong demand mainly for products for semiconductors and data centers.

As a result, net sales of Electronics and Information Technology amounted to JPY 173,751 million, a year-on-year increase of 10.3%.

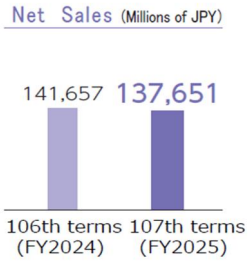


Performance Materials
(Composites, Medical Care, Heat-Resistance,Buildings)

Net sales JPY 137,651million Down 2.8% year on year



In the composites business, net sales decreased year on year due to sluggish sales caused by the continued severe competitive environment and the suspension of business activities of a U.K. subsidiary in line with business structure reform. In the medical care, heat-resistance and buildings businesses, net sales were on par with the previous fiscal year.



As a result, net sales of Performance Materials amounted to JPY 137,651million, a year-on-year decrease of 2.8%.

(2) Capital investment

The Company Group's capital investment amounted to JPY 34,309million in the fiscal year under review.
In Electronics and Information Technology, we made investments mainly for the deployment of all-electric melting technology, capacity expansion and productivity improvement in the displays business, and for capacity expansion in the electronics business. In Performance Materials, we made investments mainly for the aim of improving productivity.

(3) Fund procurement status

Funds required in the fiscal year under review were for capital investment 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 JPY 25 billion with financial institutions in Japan.

(4) Main Lenders (as of December 31, 2025)

Lender	Borrowing Amount
Sumitomo Mitsui Banking Corporation	JPY 21.4 billion
Sumitomo Mitsui Trust Bank, Limited	JPY 12.1 billion
MUFG Bank, Ltd.	JPY 9.1 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 conduct business activities that harmonize "environment," "society," and "economy" by establishing identified materiality ("Materiality") that it recognizes as important in conducting its business activities, and by promoting activities related to those themes. Through these activities, the Company Group will achieve sustainable growth and enhance corporate value.

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.

Corporate philosophy

"We strive to build a brighter future for the world by uncovering the unlimited possibilities of glass for more advanced creative manufacturing."

Our Slogan

GLASS FOR FUTURE

Our vision

"The world's leading manufacturer of special glass"

Our values

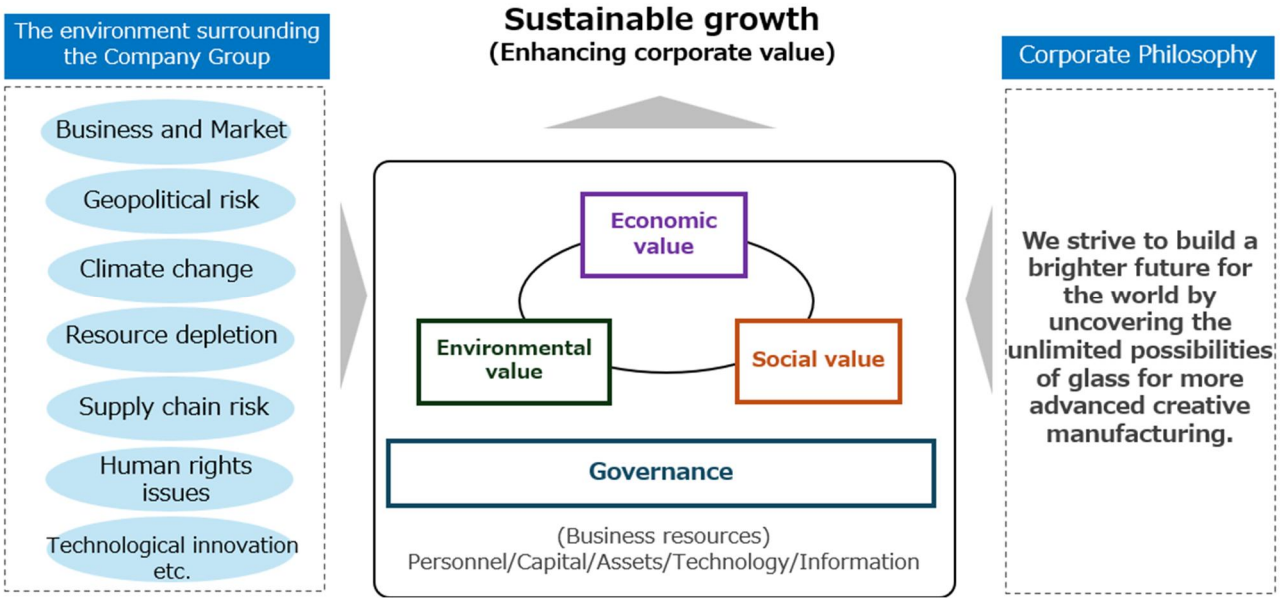
- Customer first: Everything is based on accurate understanding and complete satisfaction of customers' requirements.
- Get the job done: We are dedicated to completing every task properly.
- Broad minds and open communication: We think beyond existing norms and encourage frank communication among all departments and generations.
- High ethical standards: We are bound to act ethically and in good faith practices in all situations.
- Consideration for the environment: We are constantly aware of the need to be considerate of the environment, and strive to reduce our footprint.

[Sustainability initiatives]

The fundamental concept

The Company Group shall conduct business activities that harmonize "environmental" "social" and "economic" considerations, thereby achieving sustainable growth and enhancing corporate value.

To support these initiatives, we will effectively utilize management resources such as "personnel", "capital", "assets", "technology" and "information", and enhance our ability to implement sustainability management through strengthened corporate governance.



Materiality (Identified materiality)

Environment

Materiality	Background and challenges
Addressing climate change	In glass manufacturing, which consumes significant energy for melting, reducing greenhouse gas emissions from melting furnaces is a critical challenge. Furthermore, we strive to strengthen our business activities by mitigating climate change risks and seizing opportunities.

Effective utilization of resources	For the glass manufacturing industry, which utilizes vast quantities of natural resources, minimizing resource consumption and maximizing production efficiency to minimize waste generation is one of the most critical challenges.
Biodiversity	Our company, which has developed its business with multiple manufacturing sites around Lake Biwa, strives for sustainable development and the conservation of biodiversity by reducing environmental impact through “the world’s leading manufacturing”.

Society

Materiality	Background and challenges
Diversity	We believe that the collective strength of diverse talent is the driving force behind corporate growth. We recruit diverse personnel and establish systems where employees respect each other's human rights and work with motivation.
Human resources	We strive to enhance our personnel to realize our ideal candidate profile: individuals capable of delivering world-class performance at every stage.
Health and Safety	By creating workplaces where individuals can thrive, work safely and healthily, and through continuous improvement of operational risks, we enhance employee motivation and retention rates, thereby boosting overall corporate productivity and creativity.
Responsible procurement	We shall fulfil our social responsibilities throughout the entire supply chain with regard to the environment, human rights, and other matters.
Coexistence with the local community	Maintaining sound relations with the local community is essential for the continuity of our business activities. We shall build trust with the local community and contribute to its development through support in areas such as education, welfare, and the environment.
Advances in glass science	We believe that support for fundamental research into glass—our core technology—and for nurturing talent is essential to our sustainable growth. Through collaboration with higher education institutions and educational support, we contribute to the advancement of glass science.

Governance

Materiality	Background and challenges
Compliance	As a company with a high proportion of overseas manufacturing and sales, we shall comply with international rules and regulations, and always act with integrity and a high ethical standard.
Corporate governance	Ensuring diversity on the board of directors strengthens its oversight function and enhances the competitiveness of business activities.
Confidential information management	We aim to minimize the risk of business disruption caused by information leaks and cyber attacks, striving to prevent the occurrence of events that could have a significant impact.
Disclosure of information	We will disclose necessary information in a timely and appropriate manner to build sound relationships with all stakeholders.

[Management indexes]

The Company Group considers that continuous research and development, capital investments, and sales and profits to support these activities are essential for business continuity and development for future. Furthermore, efficient business operations and efficient use of capital are important to enhance the corporate value. Therefore, the Company Group places Net sales, Operating profit, Operating profit margin, ROE (Return on Equity) and ROIC (Return on Invested Capital) as important indexes.

[Medium- and long-term management strategy and issues to be addressed]

Under the above basic management policy, the Company Group is expanding its business in the Electronics and Information Technology field with the displays business and the electronics business, as well as in the Performance Materials field with the composites, the medical care, the heat-resistance and the buildings businesses. The Company Group will build a balanced business portfolio through the implementation of the medium-term business plan.

<Markets in which the Company is Developing>

Automotive	: Lightweight materials, lighting, displays, autonomous driving (cameras and sensors, etc.), various types of electronic equipment
Energy	: Secondary batteries, renewable energy systems
Medical Care	: Advanced pharmaceutical containers, cutting-edge medical equipment and devices
Semiconductors	: Next-generation semiconductor materials (small-sized, high precision, high-functioning), semiconductor manufacturing processes
Displays	: High-functioning displays (high-definition, thin and lightweight, flexible)
ICT	: Optical communication devices (for next-generation high speed telecommunications)
Social Infrastructure	: High-functioning fire-rated equipment, high-functioning structural materials (safe, durable, lightweight)
Home Appliances/ Housing Equipment	: High-functioning home appliances and housing equipment materials, multi-function wall materials

<The Medium-term Business Plan "EGP2028">

The Company Group has established the Medium-term Business Plan "EGP2028" targeting the five years from fiscal 2024 to fiscal 2028.

Slogan

STRONG GROWTH

Basic policy

We work to realize sustainable growth and corporate value enhancement by fortifying the revenue base of existing businesses and aggressively allocating resources to growth areas.

Period

January 1, 2024 to December 31, 2028 (5 years)

Management targets

Net sales	JPY 400 billion Electronics and Information Technology: JPY 190 billion, Performance Materials: JPY 160 billion, New Business: JPY 50 billion
Operating profit	JPY 50 billion
Operating margin	12.5%
ROE	8%
Year to achieve targets	Fiscal 2028

Business strategies

(1) Reinforcement of existing businesses (fortification of revenue base by increasing competitiveness)

- Develop high value added products and strengthen commercialization.
- Leverage all-electric melting technology to increase productivity and quality.

- Build a strong business foundation (efficient operation of resources, utilization of digital transformation, review of procurement, operational/manufacturing process reform, etc.)
- Thoroughly analyze business profitability to determine whether to invest in, downsize, or withdraw from businesses.

(2) Expansion of strategic businesses (enhancement of resource allocation to growth areas)

- Expand strategic businesses through aggressive allocation of resources to areas with promising growth opportunities, leveraging our strengths
- Expand device businesses that will increase the added value of glass products
- Bolster research and development resources, particularly in the fields of energy, medical care, environment, and food, while actively using collaborations with universities, research institutes, venture companies, etc.
- Establish a budget for strategic investment (JPY 50 billion for five years) and actively undertake M&A, strategic alliances, business investments, etc.

(3) Procurement risks management

- Take measures against procurement risks arising from economic conditions, logistics disruptions, etc. (procure from multiple suppliers, prepare multiple distribution routes, and forming strategic alliances with business partners).

Financial strategies

(1) Reduction of cross-shareholdings

In consideration of changes in the business environment, we will evaluate the appropriateness of shareholdings both quantitatively based on cost of capital and qualitatively based on management strategy to further reduce cross-shareholdings.

(2) Asset reduction

We will dispose of any non-core assets arising in the course of “EGP2028” structural reform of businesses, etc., as appropriate in order to increase asset efficiency.

(3) Balance sheet management and enhancement of shareholder returns

We will work to enhance shareholder returns while managing our balance sheet in consideration of financial stability and capital efficiency, and securing retained earnings to prepare for further growth.

- Purchase of treasury shares

  Plan to carry out share repurchases of JPY 100 billion in total over the five-year period from November 2023 to December 2028 in order to improve capital efficiency
- Continuous expansion of dividend: Toward a target DOE of 3%

  Based on stable dividend, enhance dividends based on performance, financial condition, growth investment, etc.

Sustainability strategies

(1) Promotion of carbon neutrality

We will promote the development of all-electric melting technology and other technologies to contribute to the prevention of global warming while striving to achieve sustainable growth and corporate value enhancement.

- Promote electrification of all processes
- Investment in and procurement of renewable energy
- Technological development of CO_2-free energy (such as hydrogen)

(2) Human resource strategy

We will expand investment in human resources who are expected to play pivotal roles in management while securing a work environment in which diverse individuals can fully demonstrate their abilities as appropriate in order to increase our competitiveness.

- Recruitment and training of personnel with advanced knowledge and skills
- Promotion of diverse human resources

- Creation of a comfortable workplace for diverse human resources to feel job satisfaction

(3) Supply chain management

We will promote initiatives to fulfill our social responsibility with regard to environment, biodiversity, human rights, etc., throughout the supply chain and work to achieve sustainable growth and corporate value enhancement.

<Progress in the Medium-term Business Plan "EGP2028">

[Business strategies]

- Existing businesses

Item	Details
Displays business	・ Strengthening the profit foundation through productivity improvement ・ Utilization of all-electric melting technology (Introduction ratio: slightly below 70%, as of the end of December 2025) ・ Expanding production of high heat-resistant and low thermal compaction glass substrate ・ Expanding applications for ultra-thin glass - Cover glass for foldable smartphones - Speaker diaphragm - Solar panels of artificial satellite ・ Expanding market share in China (mainly for G10.5 substrates) ・ Development of new products utilizing overflow technology ・ Business development utilizing thin-film coating technologies (fluorine-free coating, etc.)
Electronics business	・ Expanding sales of semiconductor-related products (glass wafer for supporting semiconductors (WSG), glass substrate for probe card, etc.) ・ Development of inorganic core substrates (GC Core™, glass core substrates) ・ Development and early commercialization of products in growth fields (WSG for panel-type, inorganic core substrates, etc.) ・ Expanding high value-added businesses, including M&A
Composites business	・ Implementation of profit improvement initiatives at each site (Malaysia, U.S., and Japan) ・ Promotion of electric-melting technology ・ Development and commencement of sales of low dielectric glass fiber D2 Fiber ・ Development of high value-added products (low expansion glass fiber, etc.)
Medical care, heat-resistance and buildings businesses	・ Establishing high-quality and high-efficiency processes for glass tubing for pharmaceutical and medical use using all-electric melting furnaces, and expand sales and develop new customers in overseas markets ・ Sales expansion of radiation-shielding glass ・ Development and expansion of high value-added products utilizing proprietary printing technologies applied to heat-resistant glass for top plates (StellaShine™ Mono) ・ Sales expansion of fire-rated glass FireLite™

- Strategic businesses

During the consolidated fiscal year under review, we developed and commenced sales of a fluorine-free coating technology compliant with PFAS regulations, which are recognized as a significant environmental issue worldwide. In addition to exhibiting excellent water-repellent and oil-repellent properties, this technology also offers superior “visible-light transmittance” and “heat resistance”, and has attracted considerable interest across a wide range of industries, including semiconductors, medical, electrical and electronic equipment, and automobiles.
Furthermore, for the purpose of exploring and evaluating new business domains and promoting innovative technology development through open innovation with venture companies, we invested in a venture capital fund. In addition, we are advancing research and development in the fields of energy, the environment, food, and other related areas.

[Financial strategies]

With respect to policy shareholdings, we sold all shares of six issues over the past two years and have continued to sell shares of one additional issue. As a result, the ratio of policy shareholdings to consolidated net assets has decreased to 7.3%. We are also reducing non-core assets, including the sale of the former site of Fujisawa Plant and the disposal of fixed assets that became unnecessary due to business restructuring.
In terms of shareholder returns, we increased dividends in both fiscal 2024 and fiscal 2025 and also repurchased our own shares (approximately JPY 60 billion between November 2023 and December 2025). In addition, a portion of the treasury shares was cancelled during the consolidated fiscal year under review.
Going forward, we will continue to enhance balance sheet management and further strengthen shareholder returns.

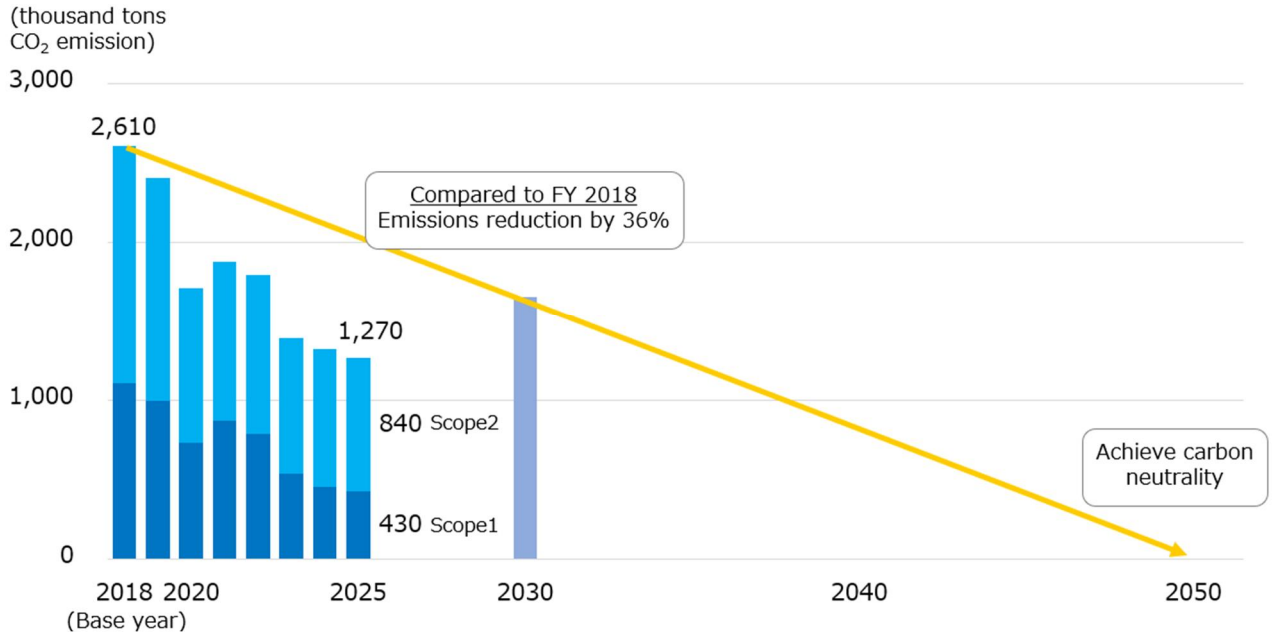
(For Reference) Initiatives to Address Climate Change

While responses to climate change are considered as global priority themes, in February 2022, we announced our 2030 targets of reducing CO_2 emissions (Scope 1 + 2) and our goal of achieving carbon neutrality by 2050 in order to continue pursuing sustainable manufacturing and properly addressing climate changes. We have been promoting ambitious initiatives that incorporate the horizontal deployment of all-electric melting furnaces, switching to energy-saving equipment, and investing in renewable energy.

Due mainly to productivity improvements in the displays business and business restructuring implemented in the composites business, CO_2 emissions (Scope 1 + 2) declined from the previous fiscal year. CO_2 emissions intensity (Scope 1 + 2) remained the same level as the previous fiscal year.
In addition, CO_2 emissions (Scope 1 + 2) have already achieved the fiscal 2030 target. Going forward, while closely monitoring revisions to CO_2 reduction targets in each country and developments in GX-related policies, we will proceed with reviewing our own targets and associated initiatives.

CO_2 emission reduction targets and results
In fiscal 2030 the Company Group aims to reduce CO_2 emissions (Scope 1 + 2) by 36% and to reduce emissions intensity* (Scope 1 + 2) by 60% (compared to 2018 levels).
By fiscal 2050 the Company Group plans to achieve carbon neutrality
* Ratio by product weight

・CO2 emissions (Scope 1 + 2)



*2025 figures are provisional. Final figures will be reported in our “Integrated Report 2025” schedule to be released in May 2026.

For details regarding our initiatives toward carbon neutrality and our responses to climate change, please refer to the Company’s website.

URL: https://www.neg.co.jp/en/sustainability/environment/climate/

(6) Changes in assets and profit/loss (JPY)

Item	104th Fiscal Year (January 2022 to December 2022)	105th Fiscal Year (January 2023 to December 2023)	106th Fiscal Year (January 2024 to December 2024)	107th Fiscal Year (January 2025 to December 2025)
Net sales	324,634 million	279,974 million	299,237 million	311,402 million
Operating profit (loss)	26,184 million	(10,420 million)	6,120 million	34,131 million
Ordinary profit (loss)	34,058 million	(9,480 million)	12,417 million	37,740 million
Profit (loss) attributable to owners of parent	28,167 million	(26,188 million)	12,091 million	29,616 million
Earnings (loss) per share	302.76	(282.90)	141.67	382.33
Total assets	747,907 million	703,917million	695,163 million	701,413 million
Net assets	528,912 million	490,130 million	487,559 million	496,181 million
Net assets per share	5,635.52	5,463.53	5,996.61	6,545.03

(7) Status of important subsidiaries (as of December 31, 2025)

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
Electric Glass (Shanghai) Co., Ltd.	USD 31 million	100%	Processing and sale of glass in the field of Electronics and Information Technology
Electric Glass (Xiamen) Co., Ltd.	CNY 2,745 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

Notes: The number of consolidated subsidiaries, including the four important subsidiaries above, is 23 as of the end of the fiscal year under review.

(8) Description of main businesses (as of December 31, 2025)

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

Category		Main products
Electronics and 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 Plastics 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 “Neoparies®” Glass-Ceramic Building Materials
	Others	Glass for Lighting Use Glass Engineering

(9) Main sales offices and factories (as of December 31, 2025)

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
Electric Glass (Shanghai) Co., Ltd.	Shanghai, China
Electric Glass (Xiamen) Co., Ltd.	Fujian, China
Electric Glass Fiber America, LLC	North Carolina, US

(10) Status of employees (as of December 31, 2025)

Number of employees	Change from previous fiscal year
5,218	Decrease of 280

Notes:

1. The number of employees represents the number of working employees.
2. The number of employees of the Company is 1,778 (increase of 32 compared with the previous fiscal year).

2.Matters related to shares of the Company (as of December 31, 2025)

(1) Total number of shares authorized to be issued: 240,000,000 shares
(2) Total number of shares issued: 89,523,246 shares
Notes: Total number of shares issued includes 14,294,939 treasury shares.
(3) Number of shareholders: 35,383
(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)	15,015	20.0%
Custody Bank of Japan, Ltd. (Trust Account)	6,067	8.1%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	1,853	2.5%
THE SHIGA BANK, LTD.	1,617	2.2%
Nippon Electric Glass Business Partner Shareholding Association	1,391	1.9%
NIPRO CORPORATION	1,254	1.7%
DFA INTL SMALL CAP VALUE PORTFOLIO	1,101	1.5%
STATE STREET BANK AND TRUST COMPANY 505001	1,047	1.4%
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	1,010	1.3%
JP MORGAN CHASE BANK 385781	982	1.3%

Notes:
1. The Company holds 14,294,939 treasury shares, and these are excluded from the major shareholders indicated above.
2. The ratio of shareholding is calculated by excluding treasury shares.

(5) Status of shares granted to Directors of the Company as consideration for the performance of duties during the fiscal year under review

	Number of shares	Number of recipients
Directors (excluding Outside Directors)	7,600 shares	3

Note:
Details of the Company's share-based remuneration are described in "2) Total amounts, etc. of remunerations for the fiscal year under review" under "(2) Remunerations for Directors and Corporate Auditors," in "3. Matters related to Directors and Corporate Auditors of the Company."

(6) Other important matters related to shares

1) Purchase of treasury shares

The Company purchased treasury shares as follows in accordance with a resolution at the Board of Directors meeting held on February 5, 2025.

Class of shares purchased	Common shares of the Company
Total number of shares purchased	5,497,700 shares
Total acquisition cost	JPY 19,999,928,000
Acquisition period	From February 6, 2025 to September 12, 2025

2) Cancellation of treasury shares

The Company cancelled treasury shares as follows in accordance with a resolution at the Board of Directors meeting held on July 29, 2024.

Class of shares cancelled	Common shares of the Company
Total number of shares cancelled	10,000,000 shares
Total number of shares issued after the cancellation	89,523,246 shares
Date of cancellation	January 31, 2025

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

(1) Names, etc. of Directors and Corporate Auditors (as of December 31, 2025)

Name	Position in the Company	Assignment of work and significant concurrent positions
Motoharu Matsumoto	Chairman of the Board (Representative Director)	
Akira Kishimoto	President (Representative Director)	CEO [In charge of Auditing]
Mamoru Morii	Director	Senior Vice President [Supervising: General Affairs, Human Resources, Finance, Purchasing and Information Systems] [In charge of Corporate Strategy, Marketing, Sales Management, Tokyo Branch Office and Security Trade Control]
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
Yoshio Ito	Outside Independent Director	Outside Director, Kameda Seika Co., Ltd.
Nahomi Aoto	Outside Independent Director	Professor by Special Designation, Research Institute for Semiconductor Engineering, Hiroshima University Specially Appointed Visiting Professor, Center for Innovative Integrated Electronic Systems, Tohoku University Outside Director, RORZE CORPORATION
Yoshihisa Hayashi	Full-time Corporate Auditor	
Toshiharu Narita	Full-time Corporate Auditor	
Yukihiro Yagura	Outside Independent Corporate Auditor	Certified Public Accountant and Certified Public Tax Accountant Representative, Yagura-jicpa
Hiroji Indoh	Outside Independent Corporate Auditor	Attorney at Law Partner, Habataki Law Office Outside Corporate Auditor, KEYENCE CORPORATION

Notes:

1. Full-time Corporate Auditor Mr. Toshiharu Narita was newly elected at the 106th Ordinary General Meeting of Shareholders held on March 28, 2025 and accordingly assumed its position.
2. Directors Ms. Reiko Urade, Mr. Hiroyuki Ito ,Mr. Yoshio Ito and Nahomi Aoto are Outside Directors and Independent Directors filed at Tokyo Stock Exchange pursuant to the provisions set forth by that company.
3. Corporate Auditors Mr. Yukihiro Yagura and Mr. Hiroji Indoh are Outside Corporate Auditors and Independent Auditors filed at Tokyo Stock Exchange pursuant to the provisions set forth by that company.
4. Corporate Auditor Mr. Yukihiro Yagura is qualified as a certified public accountant and a certified public tax accountant and has deep insight into financial affairs and accounting.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company, under which the insured are Directors, Corporate Auditors and Vice Presidents of the Company and Directors and Corporate Auditors of its subsidiaries (except for Techneglas LLC, Electric Glass Fiber UK, Ltd., and Electric Glass Fiber America, LLC), and Directors and Corporate Auditors dispatched from the Company to associated companies. The insured are covered by the policy against damages arising from assuming responsibility in relation to the execution of their duties or from claims received in relation to the pursuit of these

responsibilities (however, excluding damages corresponding to exemption clauses defined by the policy). Premiums for the policy are paid by the Company, and the insured do not pay the premiums.

6. The following are the names of Directors and Corporate Auditor who retired during the fiscal year under review and their positions at retirement and retirement dates.

Name	Position at the retirement	Year, month and date of retirement
Hiroki Yamazaki	Director	March 28, 2025 (expiration of the term of office)
Tomonori Kano	Director	March 28, 2025 (expiration of the term of office)
Masahiko Ohji	Full-time Corporate Auditor	March 28, 2025 (resignation)

7. 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, 2026 are as follows. Executive Officers marked with asterisks (*) are those who concurrently serve as Directors.

Name	Assignment of work
Akira Kishimoto(*)	CEO In charge of Auditing
Tomonori Kano	Executive Vice President Supervising: Glass Fiber Business Group General Manager, Glass Fiber Group
Hiroki Yamazaki	Senior Vice President In charge of Fundamental Technology, Intellectual Property, , Product Safety Management and Cooperation in Research & Technology
Mamoru Morii(*)	Senior Vice President Supervising: General Affairs, Human Resources, Finance, Purchasing and Information Systems In charge of Corporate Strategy, Corporate Communication, Marketing, Sales Management, Tokyo Branch Office and Security Trade Control
Masaaki Kadomi	Senior Vice President Supervising: Research & Development Group General Manager, Research & Development Group
Masahiro Kobayashi	Senior Vice President In charge of Electronic Products Business Group General Manager, Electronic Products Group
Takuo Horiuchi	Senior Vice President In charge of Display Glass Business and Thin Film Business Group General Manager, Display Glass Group
Hitoshi Kanaya	Senior Vice President In charge of Process Development & Engineering and Environmental Management Group General Manager, Process Development & Engineering Group
Toshiyuki Nakajima	Senior Vice President In charge of General Affairs, Human Resources and Finance General Manager, Human Resources Division
Masanori Wada	Senior Vice President In charge of Consumer Glass Products Business Group General Manager, Consumer Glass Products Group
Hidetaka Oda	Vice President In charge of Display Glass Business (Production) General Manager, Display Glass Division, Production, Display Glass Group

Name	Assignment of work
Yoshiyuki Tamamura	Vice President In charge of Purchasing and Information Systems General Manager, Purchasing Division
Ken Hamajima	Vice President In charge of Nippon Electric Glass (Malaysia) Sdn. Bhd.
Takuji Oka	Vice President In charge of Electronic Products Business (Production), General Manager, Electronic Products Division, Production, Electronic Products Group
Eric Barrouillet	Vice President In charge of Glass Fiber Business (Sales)
Ken Choju	Vice President In charge of Research & Development Deputy Group General Manager, Research & Development Group
Kenichi Hirohashi	Vice President In charge of Consumer Glass Products Business (Production) General Manager, Consumer Glass Products Division, Production, Consumer Glass Products Group
Masataka Kawaguchi	Vice President In charge of Glass Fiber Business (Production) and Electric Glass Fiber America, LLC General Manager, Glass Fiber Division, Production, Glass Fiber Group President, Electric Glass Fiber America, LLC

(2) Remunerations for Directors and Corporate Auditors

1) Matters related to the policy on determination of content of remuneration, etc. for individual Directors

The Company resolved a policy on determination of content of remuneration, etc. for individual Directors at a Board of Directors meeting. In making the resolution, the Board of Directors consulted with the Nomination and Remuneration Advisory Committee regarding a summary of the content that was to be resolved, and received its opinion.

Moreover, the Board of Directors judges that the remuneration, etc. of individual Directors for the fiscal year under review is in line with the policy, because the method of determining the content of remuneration, etc. and the determined content comply with the determination policy resolved by the Board of Directors, and the opinion of the Nomination and Remuneration Advisory Committee has been respected.

The content of a policy on determination of content of remuneration, etc. for individual Directors is as follows.

i Policy on determination of amounts of remuneration, etc. for individual Directors (excluding performance-linked remuneration, etc. and non-monetary remuneration, etc.)

The monthly retainer (fixed) of individual Directors of the Company shall be determined within the scope of the total amount resolved by the General Meeting of Shareholders according to individual duties, responsibilities and performance, while giving comprehensive consideration to financial results (excluding Outside Directors), the Company's management environment, and remuneration levels of other companies based on objective remuneration market survey data by an outside specialist institution.

ii Policy on determination of content of performance indicators for performance-linked remuneration, etc., and calculation method for amount or number of performance-linked remuneration, etc.

With consolidated operating profit set as its indicator, performance-linked remuneration, etc. shall be determined within the scope of the total amount resolved by the General Meeting of Shareholders as bonuses for Directors excluding Outside Directors by taking into account economic conditions, business situation, status of measures implemented, individual evaluation and other factors.

iii Policy on determination of content, and calculation method for amount or number of non-monetary remuneration, etc. (including policy on determination of timing and conditions for paying remuneration, etc.)
Non-monetary remuneration, etc. shall be allocated at a certain time each year in the form of restricted stock to Directors, excluding Outside Directors. In accordance with the resolution of the Board of Directors of the Company, the Eligible Directors shall receive the issuance or disposal of the common shares of the Company within the scope of the total number resolved by the General Meeting of Shareholders. Furthermore, the amount of payment, which is the standard for calculation of the number of restricted shares to be allotted, shall be determined based on the individual duties, responsibilities, and share price, within the scope of the total amount resolved by the General Meeting of Shareholders.

iv Policy on determination of proportion of monetary remuneration amount, performance-linked remuneration amount, or non-monetary remuneration amount by individual director remuneration amount
For Directors other than Outside Directors, payment shall be linked with achievement of financial results targets and medium- to long-term corporate value increase and comprised of a monthly retainer (fixed), which is a fixed remuneration, and bonuses and share-based remuneration using restricted shares, which is variable remuneration. The ratio of fixed to variable remuneration based on payment amount shall be approximately 6:4. For Outside Directors, payment shall consist only of a monthly retainer (fixed) that is not linked to financial results, so as to maintain their independence.

v Policy on determination of timing and conditions for paying remuneration, etc.
Monthly retainer (fixed) shall be a fixed remuneration paid monthly. Bonuses shall be paid at a certain time each year.

vi Matters related to determination of content of remuneration, etc., by individual Director
Individual monthly retainer (fixed) and bonuses (excluding Outside Directors) for Directors of the Company is determined as follows. Based on the consultation of the Board of Directors, the specific content of the remuneration is deliberated by the Nomination and Remuneration Advisory Committee, which is chaired by an Outside Director and is made up of the Chairman of the Board of Directors, the President, and all Outside Directors, with Outside Directors making up a majority. Except in cases where the opinions of the committee members are equally divided, a response to the Board of Directors is not required, and the decision of the committee is deemed to be a resolution of the Board of Directors. The specific allocation of restricted stock to Directors excluding Outside Directors shall be determined by the Board of Directors.

2) Total amounts, etc. of remunerations for the fiscal year under review

Category	Total amount of remunerations (JPY million)	Total amount of remunerations by type			Number of eligible Directors and Corporate Auditors
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (of which, outside directors)	303 (39)	209 (39)	63 (—)	29 (—)	9 (4)
Corporate Auditors (of which, outside corporate Auditors)	55 (14)	55 (14)	— (—)	— (—)	5 (2)
total (of which, outside directors and outside corporate Auditors)	358 (54)	265 (54)	63 (—)	29 (—)	14 (6)

Note:
1. The total amount of remunerations for Directors includes bonuses to Directors of JPY 63 million and restricted stock compensation of JPY 29 million, expensed during the fiscal year under review.
2. The performance indicator for performance-linked remuneration, etc., is consolidated operating profit, the actual result for which was JPY 34,131 million. The reason this indicator was selected is because it objectively shows the Company Group's business results and was deemed to be an appropriate indicator for performance-

linked remuneration, etc. In addition to this indicator, the performance-linked remuneration, etc. is calculated giving consideration to economic conditions, business situation, status of measures implemented, individual evaluation and other factors.

3. The content of non-monetary remuneration, etc. is shares of the Company, with the conditions of allocation as described in "1) Matters related to the policy on determination of content of remuneration, etc. for individual Directors." The status of granting of shares for the fiscal year under review is described in "(5) Status of shares granted to Directors of the Company as consideration for the performance of duties during the fiscal year under review" under "2. Matters related to shares of the Company."
4. The resolution of the General Meeting of shareholders regarding the maximum amount of monthly remuneration for Directors was made at the 81st Ordinary General Meeting of Shareholders held on June 29, 2000 and set at not more than JPY 28 million per month. As of the close of that Ordinary General Meeting of Shareholders, there were twenty (20) Directors. Moreover, at the 100th Ordinary General Meeting of Shareholders held on March 28, 2019 and the 103rd Ordinary General Meeting of Shareholders held on March 30, 2022, it was resolved to introduce a restricted share-based remuneration plan, separate from the above remuneration allowance, to provide incentives to sustainably increase the Company's corporate value and to further promote shared value with shareholders, and that the total amount of monetary remuneration paid for the granting of restricted stock would be not more than JPY 100 million per year. As of the close of that Ordinary General Meeting of Shareholders, there were six (6) Directors (excluding Outside Directors).
5. The resolution of the General Meeting of Shareholders regarding the maximum amount of bonuses for Directors (excluding Outside Directors) was made at the 106th Ordinary General Meeting of Shareholders held on March 28, 2025 and set at not more than JPY 200 million per year (excluding employee salaries of Directors who concurrently serve as employees). As of the close of that Ordinary General Meeting of Shareholders, there were three (3) Directors (excluding Outside Directors).
6. The resolution of the general Meeting of shareholders regarding the amount of monthly remuneration for Corporate Auditors was made at the 91st Ordinary General Meeting of Shareholders held on June 29, 2010, and set at a monthly remuneration of not more than JPY 6 million per month for Corporate Auditor remuneration. As of the close of that Ordinary General Meeting of Shareholders, there were four (4) Corporate Auditors.
7. As described in "1) Matters related to the policy on determination of content of remuneration, etc. for individual Directors," the evaluation and allocation of the amount of individual monthly retainer (fixed) and bonuses (excluding Outside Directors) with respect to this fiscal year is deliberated in detail by the Nomination and Remuneration Advisory Committee, which is chaired by Outside Director Yoshio Ito, and whose members are Chairman of the Board Motoharu Matsumoto, President Akira Kishimoto, and Outside Directors Reiko Urade ,Hiroyuki Ito and Nahomi Aoto based on the consultation of the Board of Directors. Except in cases where the opinions of the committee members are equally divided, a response to the Board of Directors is not required, and the decision of the committee is deemed to be a resolution of the Board of Directors. The reason that the Board of Directors has effectively delegated the above authority to the Nomination and Remuneration Advisory Committee is to ensure the transparency and objectivity of the determination process for Director remuneration.

(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, 2025)

Category	Name	Significant concurrent positions
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
Director	Yoshio Ito	Outside Director, Kameda Seika Co., Ltd.
Director	Nahomi Aoto	Professor by Special Designation, Research Institute for Semiconductor Engineering, Hiroshima University Specially Appointed Visiting Professor, Center for Innovative Integrated Electronic Systems, Tohoku University Outside Director, RORZE CORPORATION
Corporate Auditor	Yukihiro Yagura	Certified Public Accountant and Certified Public Tax Accountant Representative, Yagura-jicpa
Corporate Auditor	Hiroji Indoh	Attorney at Law Partner, Habataki Law Office Outside Corporate Auditor, KEYENCE CORPORATION

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	Reiko Urade	Ms. Reiko Urade attended all 18 of the Board of Directors meetings held during the fiscal year under review. She made inquiries and expressed opinions where appropriate based on her expert knowledge and abundant experience as a science researcher with a background in agriculture. She has also played a role in supervising and advising execution of business. Moreover, she serves as member of the Nomination and Remuneration Advisory Committee, in which capacity she has been involved from an independent standpoint in the determination of Directors' remuneration.
Director	Hiroyuki Ito	Mr. Hiroyuki Ito attended all 18 of the Board of Directors meetings held during the fiscal year under review. He made inquiries and expressed opinions where appropriate based on his expert knowledge and abundant experience in research on corporate management as a scholar of business administration. He has also played a role in supervising and advising execution of business. Moreover, he serves as member of the Nomination and Remuneration Advisory Committee, in which capacity he has been involved from an independent standpoint in the determination of Directors' remuneration.

Category	Name	Status of main activities
Director	Yoshio Ito	Mr. Yoshio Ito attended all 18 of the Board of Directors meetings held during the fiscal year under review. He made inquiries and expressed opinions where appropriate based on his knowledge and abundant experience of corporate management, having been involved for many years in the management of Panasonic Corporation (currently Panasonic Holdings Corporation). He has also played a role in supervising and advising execution of business. Moreover, he serves as chairman of the Nomination and Remuneration Advisory Committee, in which capacity he has been involved from an independent standpoint in the determination of Directors' remuneration.
Director	Nahomi Aoto	Ms. Nahomi Aoto attended all 18 of the Board of Directors meetings held during the fiscal year under review. She has played a role in supervising and advising execution of business based on her expert knowledge and abundant experience in technological development. Moreover, she serves as member of the Nomination and Remuneration Advisory Committee, in which capacity she has been involved from an independent standpoint in the determination of Directors' remuneration.
Corporate Auditor	Yukihiro Yagura	Mr. Yukihiro Yagura attended all 18 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 a Certified Public Accountant and Certified Public Tax Accountant.
Corporate Auditor	Hiroji Indoh	Mr. Hiroji Indoh attended 17 of 18 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 Companies Act, 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 Companies Act, the relevant liability for damages shall be limited to the minimum liability for damages as stipulated in Article 425, Paragraph 1 of the Companies Act, 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	JPY 66 million
Total amount of money and other property benefits that shall be paid by the Company and its subsidiaries	JPY 67 million

Notes:

1. In the auditing contract between the Company and the Independent Auditor, the amount of remuneration for auditing under the Companies Act 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. Four 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 Companies Act, 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 Companies Act, 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 etc.). The details of these implemented actions are regularly reported to the Board of Directors and the Corporate Auditors. Furthermore, in the event that the performance of an illegal act, etc. involving a Director or an Executive Officer of the Company or the Group companies is reported, the Compliance Committee shall report the details to the Corporate Auditors in a timely manner.

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 and the Corporate Auditors 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 the procurement of materials, etc., natural disasters, accidents and disasters, information security, the environment, etc.) 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 Company 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. In the event that the performance of an illegal act, etc. involving a Director or an Executive Officer of the Company or the Group companies is reported, the Compliance Committee shall report the details to the Corporate Auditors in a timely manner.

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 General Affairs 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 to the Corporate Auditors 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. Furthermore, in the event that the performance of an illegal act, etc. involving a Director or an Executive Officer of the Company or the Group companies is reported, the Compliance Committee shall report the details to the Corporate Auditors in a timely manner.

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 18 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 25 times and the Compliance Committee meetings were held 2 times.

Furthermore, the Company established the Sustainability Committee in January 2026 by reviewing and

strengthening the organizational structure of the former CSR Committee. The CSR Committee were held 2 times and matters such as the Company Group's sustainability promotion framework, the review of materiality, and initiatives related to the environment, diversity and inclusion, and community contribution were discussed.

(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 addition, training sessions on the Antitrust Act were given for relevant employees.

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

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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.
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TRANSLATION FOR REFERENCE ONLY

Consolidated balance sheet

(As of December 31, 2025)

(Millions of JPY)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	283,783	Current liabilities	117,793
Cash and deposits	120,706	Notes and accounts payable - trade	38,974
Notes and accounts receivable – trade and contract assets	61,853	Short-term loans payable	23,732
		Current portion of bond	10,000
Electronically recorded monetary claims - operating	1,029	Income taxes payable	8,146
Merchandise and finished goods	50,327	Other provisions	74
Work in process	1,285	Other	36,866
Raw materials and supplies	39,495	Non-current liabilities	87,437
Other	9,275	Bonds payable	10,000
Allowance for doubtful accounts	(191)	Long-term loans payable	53,662
Non-current assets	417,630	Deferred tax liabilities	5,672
Property, plant and equipment	360,655	Provision for special repairs	10,417
Buildings and structures	61,243	Other provisions	3
Machinery, equipment and vehicles	262,394	Retirement benefit liability	1,787
Land	17,469	Other	5,894
Construction in progress	14,817	Total liabilities	205,231
Other	4,730	(Net assets)	
Intangible assets	4,121	Shareholders' equity	416,463
Investments and other assets	52,853	Capital stock	32,155
Investment securities	42,045	Capital surplus	33,901
Deferred tax assets	1,452	Retained earnings	398,474
Other	17,284	Treasury shares	(48,068)
Allowance for doubtful accounts	(7,928)	Accumulated other comprehensive income	75,908
		Valuation difference on available-for-sale securities	17,865
		Deferred gains or losses on hedges	20
		Foreign currency translation adjustment	58,022
		Non-controlling interests	3,810
		Total net assets	496,181
Total assets	701,413	Total liabilities and net assets	701,413

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

TRANSLATION FOR REFERENCE ONLY

Consolidated statement of income

(From January 1, 2025 to December 31, 2025)

(Millions of JPY)

Item	Amount	
Net sales		311,402
Cost of sales		231,392
Gross profit		80,010
Selling, general and administrative expenses		45,879
Operating Profit		34,131
Non-operating income		
Interest income	848	
Dividend income	1,013	
Subsidy income	2,427	
Foreign exchange gains	1,160	
Other	1,476	6,927
Non-operating expenses		
Interest expenses	1,373	
Loss on retirement of non-current assets	946	
Depreciation of inactive non-current assets	515	
Other	482	3,318
Ordinary Profit		37,740
Extraordinary income		
Gain on sale of non-current assets	7,213	
Gain on sales of investment securities	4,205	
Other	1,199	12,619
Extraordinary losses		
Business restructuring expenses	3,944	
Loss on related accident	3,026	
Loss on retirement of non-current assets	1,462	
		8,433
Profit before income taxes		41,925
Income taxes - current	13,550	
Income taxes - deferred	(1,683)	11,866
Profit		30,059
Profit attributable to non-controlling interests		442
Profit attributable to owners of parent		29,616

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

TRANSLATION FOR REFERENCE ONLY

Consolidated statement of changes in equity

(From January 1, 2025 to December 31, 2025)

(Millions of JPY)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,279	411,024	(60,007)	417,452
Changes of items during period					
Dividends of surplus			(10,644)		(10,644)
Profit attributable to owners of parent			29,616		29,616
Purchase of treasury shares				(20,003)	(20,003)
Disposal of treasury shares		6		36	42
Cancellation of treasury shares		(31,905)		31,905	—
Transfer from retained earnings to capital surplus		31,522	(31,522)		—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(377)	(12,550)	11,938	(989)
Balance at end of current period	32,155	33,901	398,474	(48,068)	416,463

	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	17,299	(68)	49,336	66,568	3,539	487,559
Changes of items during period						
Dividends of surplus						(10,644)
Profit attributable to owners of parent						29,616
Purchase of treasury shares						(20,003)
Disposal of treasury shares						42
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes of items other than shareholders' equity	565	89	8,685	9,340	270	9,611
Total changes of items during period	565	89	8,685	9,340	270	8,622
Balance at end of current period	17,865	20	58,022	75,908	3,810	496,181

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

TRANSLATION FOR REFERENCE ONLY

Non-consolidated balance sheet

(As of December 31, 2025)

(Millions of JPY)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	143,425	Current liabilities	85,103
Cash and deposits	24,328	Accounts payable – trade	33,336
Notes receivable – trade	182	Short-term loans payable	13,800
		Current portion of bond	10,000
Electronically recorded monetary claims - operating	779	Accounts payable – other	9,267
Accounts receivable - trade	47,738	Accrued expenses	7,391
Merchandise and finished goods	26,862	Income taxes payable	6,487
Work in process	2,204	Other provision	63
Raw materials and supplies	23,979	Other	4,756
Other	17,389	Non-current liabilities	73,703
Allowance for doubtful accounts	(37)	Bonds payable	10,000
Non-current assets	404,198	Long-term loans payable	50,000
Property, plant and equipment	173,199	Deferred tax liabilities	3,007
Buildings and structures	16,223	Provision for special repairs	10,417
Machinery and equipment	140,805	Other provision	4
Vehicles and tools	845	Other	274
Land	10,430	Total liabilities	158,807
Construction in progress	4,895	(Net assets)	
Intangible assets	780	Shareholders' equity	371,108
Investments and other assets	230,217	Capital stock	32,155
Investment securities	36,341	Capital surplus	33,885
Shares of subsidiaries and associates	109,872	Legal capital surplus	33,885
		Retained earnings	353,135
Investments in capital of subsidiaries	57,175	Legal retained earnings	2,988
		Other retained earnings	350,147
		General reserve	205,770
Long-term loans receivable	17,731	Retained earnings brought forward	144,377
Other	21,410	Treasury shares	(48,068)
Allowance for doubtful accounts	(12,314)	Valuation and translation adjustments	17,707
		Valuation difference on available-for-sale securities	17,865
		Deferred gains or losses on hedges	(157)
		Total net assets	388,816
Total assets	547,623	Total liabilities and net assets	547,623

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

TRANSLATION FOR REFERENCE ONLY

Non-consolidated statement of income

(From January 1, 2025 to December 31, 2025)

(Millions of JPY)

Item	Amount	
Net sales		163,226
Cost of sales		112,266
Gross profit		50,959
Selling, general and administrative expenses		23,276
Operating Profit		27,683
Non-operating income		
Interest and dividend income	7,233	
Foreign exchange gains	2,629	
Other	3,089	12,953
Non-operating expenses		
Interest expenses	491	
Loss on retirement of non-current assets	856	
Donation	220	
Depreciation of inactive non-current assets	199	
Other	161	1,929
Ordinary Profit		38,707
Extraordinary income		
Gain on sale of non-current assets	4,690	
Gain on sales of investment securities	4,205	
Other	587	9,484
Extraordinary losses		
Provision of allowance for doubtful accounts	4,455	
Loss on related accident	3,026	
Other	930	8,412
Profit before income taxes		39,779
Income taxes - current	9,902	
Income taxes - deferred	(1,660)	8,241
Profit		31,537

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

TRANSLATION FOR REFERENCE ONLY

Non-consolidated statement of changes in equity

(From January 1, 2025 to December 31, 2025)

(Millions of JPY)

	Shareholders' equity									
		Capital surplus			Retained earnings					
						Other Retained earnings				
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	33,885	377	34,263	2,988	205,770	155,007	363,765	(60,007)	370,177
Changes of items during period										
Dividends of surplus							(10,644)	(10,644)		(10,644)
Profit							31,537	31,537		31,537
Purchase of treasury shares									(20,003)	(20,003)
Disposal of treasury shares			6	6					36	42
Cancellation of treasury shares			(31,905)	(31,905)					31,905	-
Transfer from retained earnings to capital surplus			31,522	31,522			(31,522)	(31,522)		-
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	(377)	(377)	-	-	(10,629)	(10,629)	11,938	931
Balance at end of current period	32,155	33,885	-	33,885	2,988	205,770	144,377	353,135	(48,068)	371,108

	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	17,299	(52)	17,247	387,425
Changes of items during period				
Dividends of surplus				(10,644)
Profit				31,537
Purchase of treasury shares				(20,003)
Disposal of treasury shares				42
Cancellation of treasury shares				-
Transfer from retained earnings to capital surplus				-
Net changes of items other than shareholders' equity	565	(105)	460	460
Total changes of items during period	565	(105)	460	1,391
Balance at end of current period	17,865	(157)	17,707	388,816

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

(Reference)

Consolidated statement of cash flows (Summary)

(From January 1, 2025 to December 31, 2025)

(Millions of JPY)

Item	Amount
Net cash provided by (used in) operating activities	52,029
Profit (loss) before income taxes	41,925
Depreciation	24,206
Impairment loss	1,508
Loss (gain) on sale of investment securities	(4,205)
Loss (gain) on sale of non-current assets	(7,250)
Foreign exchange losses (gains)	(877)
Decrease (increase) in accounts receivable – trade, and contract assets	(1,938)
Decrease (increase) in inventories	5,996
Increase (decrease) in trade payables	(1,070)
Income taxes paid	(11,464)
Other, net	5,199
Net cash provided by (used in) investing activities	(10,397)
Proceeds from sales of investment securities	6,854
Purchases of non-current assets	(28,951)
Proceeds from sale of non-current assets	12,746
Other, net	(1,046)
Net cash provided by (used in) financing activities	(45,273)
Net increase (decrease) in long- and short-term loans payable	(13,694)
Purchase of treasury shares	(20,003)
Dividends paid	(10,643)
Dividends paid to non-controlling interests	(171)
Other, net	(761)
Effect of exchange rate change on cash and cash equivalents	371
Net increase (decrease) in cash and cash equivalents	(3,269)
Cash and cash equivalents at beginning of period	123,582
Cash and cash equivalents at end of period	120,313

Note: Amounts less than JPY 1 million are rounded down