Long-Term Management Plan

2026-2035

NGK Corporation

President Shigeru Kobayashi

May 28, 2026

Today's Agenda

1. Review of Vision Progress (2021-2025)

2. Long-Term Management Plan 2026-2035

- Desired State in 2035
- What Must Be Done: Five Transformations
  - Profitability improvement/Research & Development/Commercialization
  - Digital Transformation/Sustainability Management
- Financial Targets/Cash Allocation
- Summary of Key KPIs

©2026 NGK Corporation

Introduction

The NGK Group established NGK Group Vision, in April 2021. Since then, we have been working to transform our business structure under our vision to contribute to carbon neutrality (CN) and a digital society (DS).

While our view of megatrends as we move toward 2050 remains unchanged, our environment is currently undergoing major changes.
In the DS domain, the popularization of AI and other digital technologies is progressing more rapidly than expected.
In the CN domain, however, the development of systems and the establishment of markets for social implementation have not progressed as expected.

In light of this, we have formulated an ambitious Long-Term Management Plan to ensure the transformation of our business structure is firmly realized, positioning 2035 as an interim milestone on the Road to 2050.
We position DS as a core growth business and will prioritize investments in R&D, capital expenditure, and talent to expand our competitive semiconductor and electronic device product portfolio and create new growth products in anticipation of demand in AI, data centers, and high-speed communications.

We position the Automotive Ceramics Business and other existing businesses as key drivers of cash generation by maximizing added value. In the CN domain, we will shift our focus toward laying the groundwork for future growth while carefully monitoring market conditions.

In April 2026, we changed the name of our company to NGK Corporation.
We will proceed with our self-transformation with our proprietary technologies at our core and achieve our next leap forward by implementing our Long-Term Management Plan aiming to sustainably improve corporate value.

President
Shigeru Kobayashi

©2026 NGK Corporation.

Positioning of Long-Term Management Plan 2026-2035

NGK

Long-term Management Plan 2026-2035

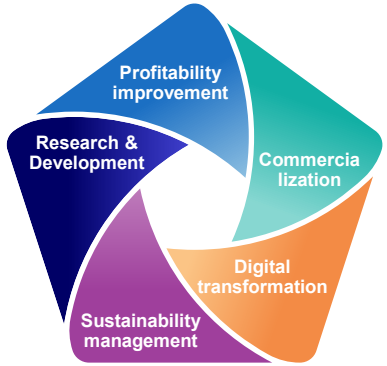
Formulating a new plan and strategy by positioning 2035 as the interim milestone

Desired State in 2035 × **What Must Be Done**

Leap and Transformation

- Improve the profitability of existing businesses
- Drive growth through DS
- Lay the foundation for CN

Five Transformations



- Management targets (financial and non-financial) (FY2030, FY2035)
- Action plan
- KPI

NGK Group Vision
Road to 2050 was announced

What we must do

Transform our business structure through Five Transformations

NGK Group Vision
Road to 2050

What we want to be

Contributing to CN and DS* using unique ceramic technologies

Business structure transformation

(CN and DS ratio: 80%)

Growth based on the Long-Term Management Plan

Self-transformation to achieve the vision

2021 — 2025 — 2026 — 2030 — 2035 — ・・・ — 2050

* CN: Carbon neutrality, DS: Digital society

©2026 NGK Corporation

1.

Review of Vision Progress 2021-2025

©2026 NGK Corporation

Review of Vision Progress (2021-2025)

- **Based on the Five Transformations defined in the 2021 Vision, we promoted initiatives to transform the business portfolio.**
- **In FY2025, revenue and operating profit reached record highs; DX initiatives and ESG management progressed steadily.**
- **While future-oriented R&D themes increased, "R&D" and "Commercialization" remained largely at the foundation-building stage.**

FY2025 results

(Bn Yen)

	Vision Target	Result
Net Sales	600.0	**670.1** Record high
Operating Income	90.0	**95.0** Record high
Net Income	60.0	**59.9**
Earnings per share (EPS)	200 yen	**206 yen**
ROE	10%	**7.8%**
Exchange rate assumptions	**USD 100 yen EUR 120 yen**	**USD 151 yen EUR 175 yen**

Progress of key measures

Profitability improvement	■ ROIC/Analysis and improvement of profitability in each business ■ Strengthening the entire process chain	■ Progress made in the restructuring of unprofitable businesses and cost reduction starting from the strengthening of the entire process chain ■ Net income and ROE fell short of targets
Research & Development	■ Increasing Net Sales in newly launched businesses ■ Allocating R&D cost to the CN and DS Domains	■ Steadily drove initiatives for growth, including the reinforcement of basic technologies and the exploration and development of future themes. ■ The number of promising products under development and development themes have increased, but relatively few projects have been launched, and their contribution to Net Sales is still limited.
Commercialization	■ Improvement of cross-divisional marketing ■ Expansion of collaboration with outside partners ■ Expanding solution business	■ Progress made in infrastructure development, including the shift to the centralized management of market and technology information ■ Improvement of cross-divisional marketing, expansion of solution business including collaborations and selling services, and training of IT liaisons in each division are on the way.
Digital transformation	■ Digitalization of all processes in the company ■ Training of IT liaisons in each division	■ Progress made as targeted in the development of DX human resources, etc. ■ DX first progressed on-site, such as the digitalization and development of data infrastructure at domestic and overseas bases
ESG Management	■ Action on climate change ■ Promotion of human capital management ■ Governance enhancement	■ Drove related measures including the introduction of a new Key Personnel System, and the reduction of GHG emissions has also progressed as planned ■ Reinforced the Group's governance foundation by developing a risk management and monitoring system

Net income and ROE fell short of the targets under the Vision.

Commercialization rem ains limited, and efforts to expand value provision, including selling services, are still in progress.

Steady progress made in the development of the management foundation

©2026 NGK Corporation

Changes in the Business Environment and Strategies Toward 2035

- **Demand for internal combustion engine vehicles remains high due to the delay in the popularization of EVs. DS is progressing more rapidly than expected. The CN market is expected to take time to develop. We view changes as opportunities and will expand businesses in the DS domain while proceeding with design and social implementation of business models in the CN domain.**

Changes in the external environment

Opportunity/Risk

Mobility	■ Slower EV penetration keeps internal combustion engine vehicle related demand at high levels.
Technological innovations and digital technologies	■ Technological innovation in the areas of semiconductors, data centers, and communications has accelerated due to the expansion of AI and its evolution progressing more rapidly than anticipated.
Climate change and world affairs	■ Changes in policy trends and delays in the introduction of renewable energy or decarbonization in various countries ■ Entrenchment and expansion of ESG investments from a long-term perspective ■ Ongoing concerns regarding inflation and review of economic security

Tasks identified in the review

- Reviewing fields and areas of focus in accordance with changes in the environment and intensively investing management resources
- Setting criteria for determining when to withdraw from unprofitable businesses
- Initiatives to accelerate the social implementation of development projects to launch new businesses
- Continuing to reinforce the management foundation to sustainably improve corporate value

Strategies toward 2035

Maximize profits from existing businesses (including the Automotive Ceramics Business)	■ Maximize added value using existing resources and steadily generate funds ■ Introduce a business restructuring and divestiture review process to accelerate the handling of unprofitable businesses
Capture the increasing number of business opportunities in the DS domain	■ Invest intensively in the DS domain, aiming to be at the top of multiple niche product markets ■ Starting in peripheral areas, leverage the strengths of existing businesses to create new products ■ Develop new products into pillars of business
Design business models in the CN area	■ Accelerate the design of business models based on ceramic technologies that will solve social issues ■ Continue marketing development and trial provision moving toward social implementation
Reinforce the management foundation	■ Strengthen sustainability management (climate change, human capital management and sustainable procurement) ■ Accelerate DX to move toward data-driven management

©2026 NGK Corporation

2.

Long-Term Management Plan
2026-2035

©2026 NGK Corporation

Desired state in 2035

- **A vision of our desired state in 2035, positioned as an interim milestone on our road to 2050 to transform our business structure**

Creating resources for growth through profitability maximization

Enabling continuous investment in areas that are expected to grow by increasing the efficiency and profitability of existing businesses and steadily generating cash

Establishing a strong position in the digital infrastructure industry

Establishing leadership in niche areas of digital infrastructure to drive business transformation

Becoming a Value Co-Creation Company through challenges

Taking on challenges to become a value co-creation company with diverse stakeholders.

Creating businesses that support carbon-neutral society

Building a foundation for the social implementation of ceramic technologies with partners toward the full-scale arrival of a CN society.

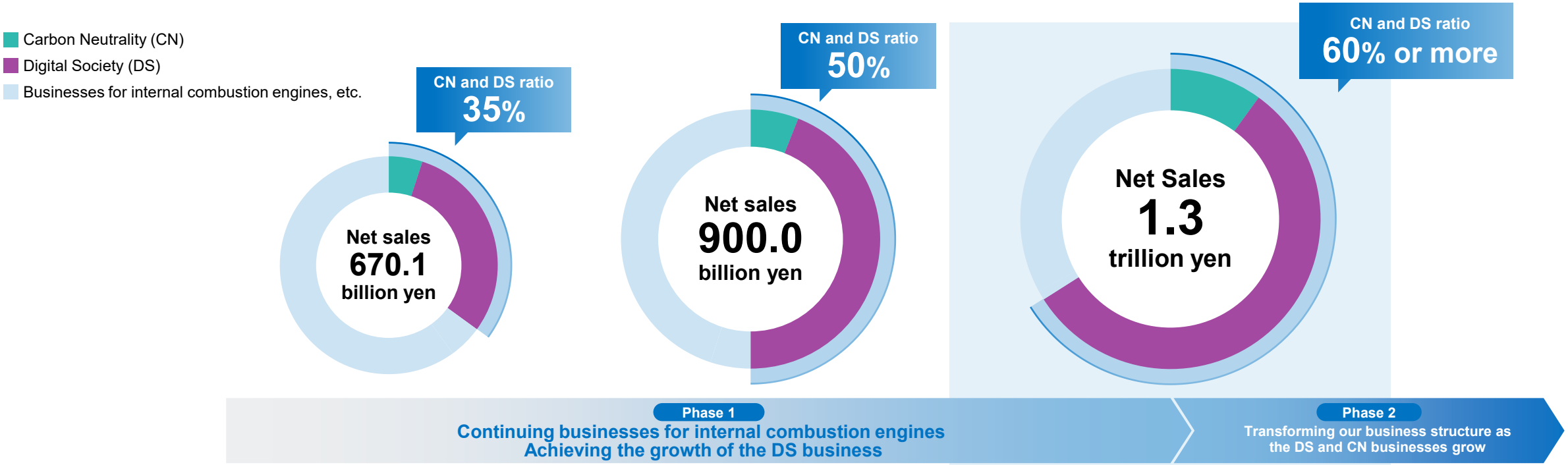
Leap and Transformation

- **Improve the profitability of existing businesses**
- **Drive growth through DS**
- **Lay the foundation for CN**

©2026 NGK Corporation

Roadmap to 2035

- **Transform our business structure, with the DS business as a growth driver, to become the desired state**
- **Increase Net Sales to 1.3 trillion yen, increase the combined share of our CN and DS businesses to 60% or more by FY2035 and continue to enable the CN business to grow even further in the future as we work to transform our business structure**



	FY2025	FY2030	FY2035
Net Sales	670.1 billion yen	900.0 billion yen	1.3 trillion yen
ROE	7.8%	12%	12% or more
NV New Value: Net Sales of new businesses	–	100 billion yen	300 billion yen
	Result	Targets	

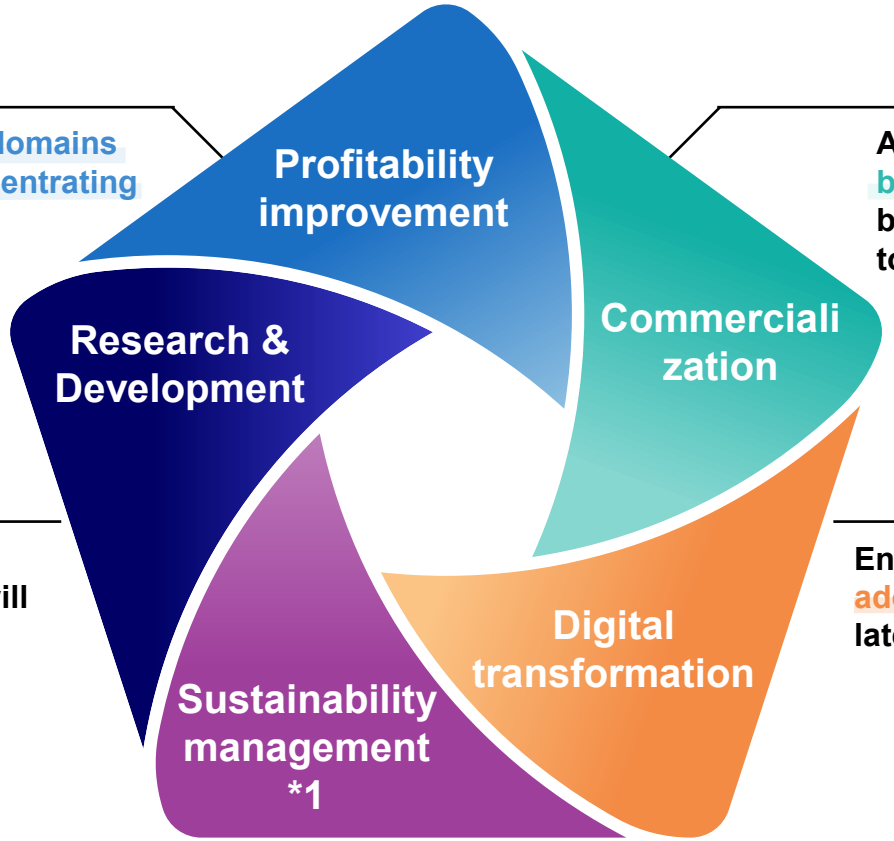
©2026 NGK Corporation

What Must Be Done: Five Transformations

- Update the Five Transformations set under the Group Vision to enable us to be the desired state in 2035.
- Achieve both growth and profitability to accelerate the Five Transformations, including the strengthening of our management foundation.

Enhance earning power by revising priority domains in line with environmental changes and concentrating management resources

Achieve Net Sales from newly launched businesses exceeding 300 billion yen*2 by 2035 by leveraging technologies and co-creating value to cater to fundamental needs



Enhance and expand our proprietary core technologies to develop new products that will contribute to a sustainable future

Enhance competitiveness through company-wide adoption of data-driven operations leveraging the latest AI technologies

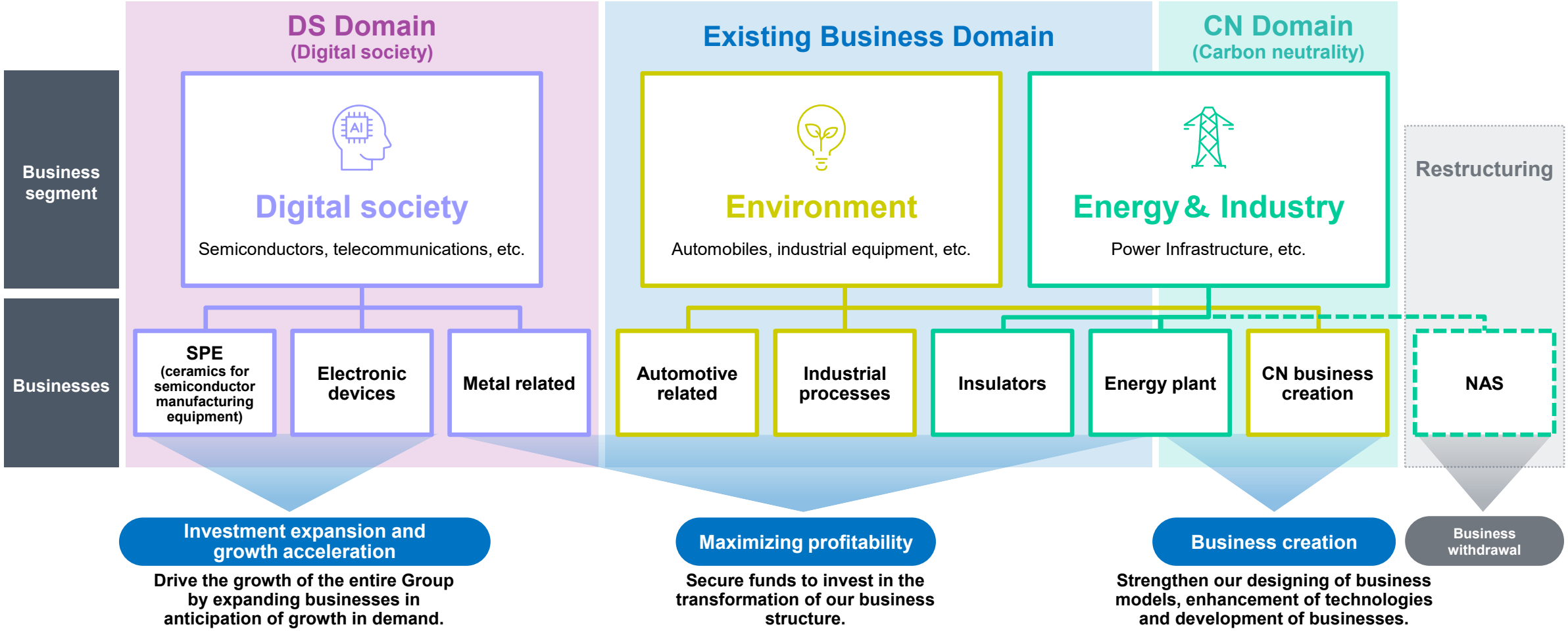
Create sustainable value through the disciplined pursuit of opportunities and risk management

*1 Our ESG Management will evolve into Sustainability Management for the creation of medium- and long-term value through the sustainability of our businesses and co-creation with our stakeholders based on the ideas of ESG management.
*2 New businesses that were launched in or after FY2021

©2026 NGK Corporation

Growth-Oriented Business Portfolio

- **Invest funds and human resources intensively in SPE and the Electronic Device Business, which are core growth drivers. Expand businesses with competitive products.**
- **Increase profitability in existing areas by maximizing added value and strategically allocate resources to R&D and capital investments in the DS and CN areas.**



©2026 NGK Corporation

Business Turnaround and Exit Process

- **A structured process is in place to evaluate business restructuring and exit from unprofitable businesses (under business portfolio management rules).**
- **Decision-making indicators and assessment timelines are clearly defined for target businesses, with regular monitoring conducted to ensure timely and appropriate portfolio actions.**

Business restructuring and divestiture review process (for illustrative purposes only)

Promptly determine the potential for a turnaround to restore the soundness of the business portfolio and improve corporate value

* NGK ROIC = Operating income/business assets (accounts receivable + inventories + fixed assets)

©2026 NGK Corporation

Existing Domain — Automotive Ceramics Business (Environment Business)

- **Demand for internal combustion engine vehicles remains high due to the slowdown in the growth of the EV ratio. We will launch new products, such as a gasoline sensor, and products with advanced functions to maximize added value using existing resources, enabling us to generate cash steadily over the medium to long term.**

Business environment and assumptions

- **Global EV demand continues to increase, but its growth has slowed.**
- **Demand for internal combustion engine vehicles, including HVs and PHVs, has remained high.**
- **Emissions regulations will continue to tighten through around 2030.**

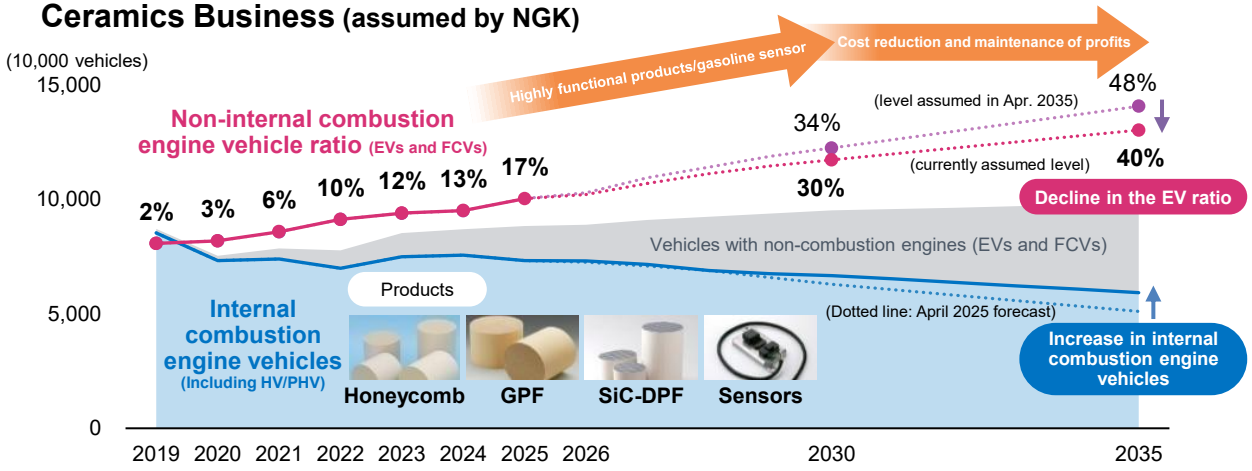
Key measures

- **Create added value by developing and launching products with advanced functions in response to tightened regulations.**
- **Maintain profits by optimizing global production and reducing costs.**
- **Leverage existing technologies and facilities to create new businesses in the CN domain.**

Role

- **Support the growth of the entire Group by steadily generating cash over the medium to long term.**

Automobile sales: Forecast and prospects for the growth of the Automotive Ceramics Business (assumed by NGK)



Forecast for emission regulations (NGK's Est.)

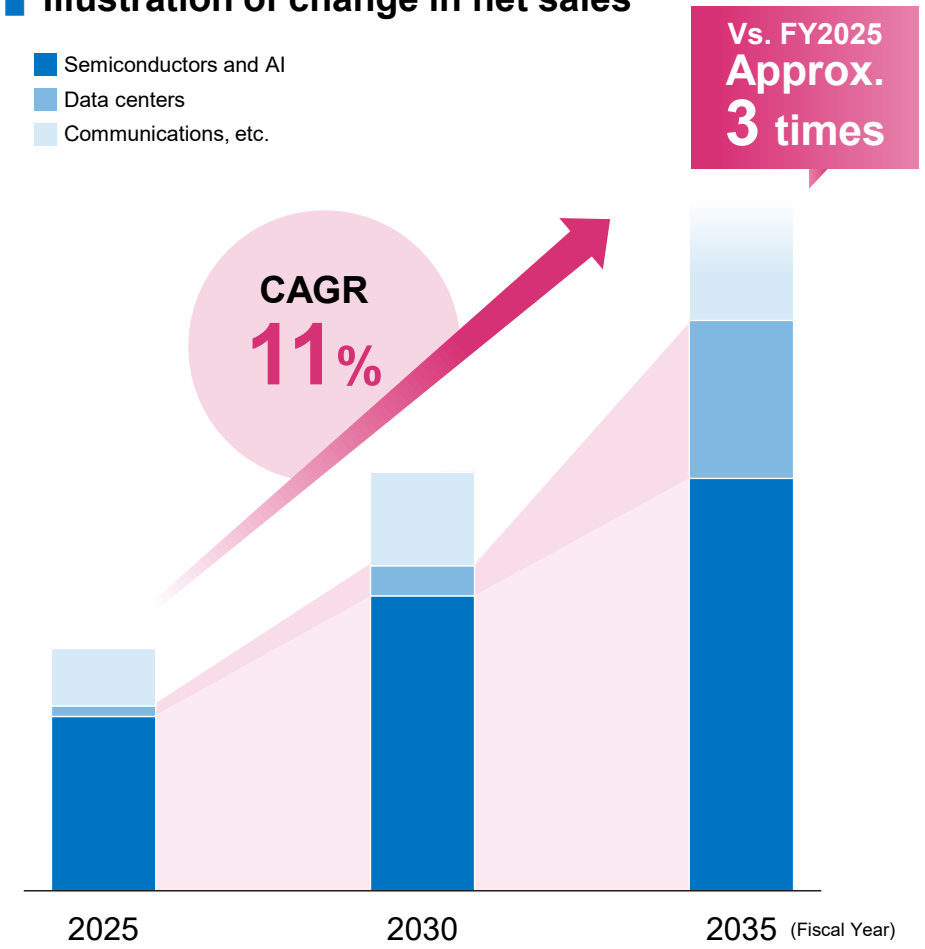
Market	2022	2023	2024	2025	2026	…	2030	…	2035
Japan	PPNLT (WLTC)				GE/GDI・MPI RDE				
Europe	EU6d-Full					Sensors	EU7		
U.S.	Tier3 LEV Ⅲ					PM1mg GPF	Tier4 (PM0.5mg)		
China	China6a(All)		China6b(All)				China7		
India	BS6 Stage Ⅰ		BS6 Stage Ⅱ				BS7		
Thailand	EU4		EU5				EU6b		

©2026 NGK Corporation

DS Domain: Growth Strategy Toward 2035

- **Develop the DS business into the next pillar of business moving toward 2035.**
  - Focus efforts on the semiconductor and data center areas, which are growth markets, aiming to increase sales to approx. three times the sales in FY2025 by 2035.
  - Expand into peripheral areas of existing businesses through collaborations, mergers and acquisitions, in addition to launching new products, to enhance added value and accelerate growth.

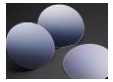
Illustration of change in net sales

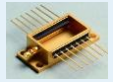


Product development

* Blue are new products

Main domain		Product group
High-speed wireless communications Progress toward Beyond 5G	Shift to higher-performance, ultra-low-latency communications	■ Bonded wafers (5G and 6G smartphones) ■ High-frequency timing devices ■ High-frequency packages
Data center peripherals Rapid increase in the volume of data reflecting the popularization of AI	Increase in data traffic and volume of stored data	■ Parts for next-generation HDDs ■ Bonded wafers (optoelectronic integration) ■ Core substrates for semiconductor packages ■ High-heat-dissipation components ■ Packages for optical communications
Semiconductor manufacturing processes Supporting the evolution of AI semiconductors	Increase in processing capacity of semiconductors	■ Ceramics for semiconductor manufacturing equipment ■ Aluminum components for chambers ■ Translucent alumina ceramics ■ Beryllium copper products





©2026 NGK Corporation

DS Domain — Main Products for Semiconductor Manufacturing Processes

- **Provide products supporting the manufacturing of semiconductors for AI, whose performance is increasing (miniaturization and increased integration).**
- **Proactively expand production capacity in anticipation of the sustainable growth in demand for high-performance semiconductors for AI.**

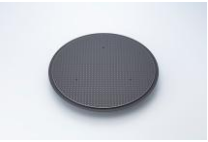
Semiconductor manufacturing processes

Front-end Process → **Back-end Process** → **Assembly/ Packaging**

Silicon Wafer	Deposition	Lithography	Etching	Ion Implantation	Inspection	Dicing	Chiplet,etc.	Final Test	PCB Assembly

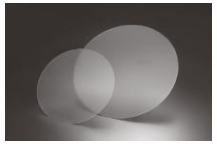
Ceramic Heaters

Contributes to the miniaturization of circuits



Electrostatic Chucks

Contributes to the realization of highly integrated circuits



Translucent alumina ceramics

Contributes to the stable production of advanced packages

Expand the production capacity of ceramics for semiconductor manufacturing equipment by approximately 20%

* Illustrative image

- **Construct a new plant on land adjacent to the Ishikawa plant (automotive-related products)**
- **We will also assess future market trends and consider ongoing investments.**

NGK CERAMIC DEVICE CO., LTD.

Investment	Approximately 70 billion yen	Construction start	April 2027	Start of operations	October 2029～

Expand production capacity approx. threefold

- **Increase production in Komaki City, Aichi Prefecture and Mine City, Yamaguchi Prefecture.**
- **Aim for Net Sales of 25 billion yen by FY2030.**

NGK CERAMIC DEVICE CO., LTD.

Start of operations	April 2026～

©2026 NGK Corporation

Commercialization

Research & Development

DS Domain: Next-Generation Products Responding to Advances in Semiconductor Technology

NGK

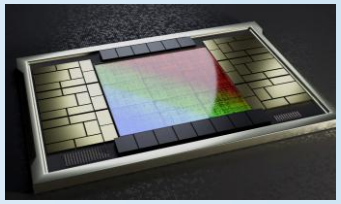
- **Develop and deliver products that address emerging needs for ceramics - such as high rigidity, superior insulation, and excellent heat dissipation - in the fields of data center and telecommunications in the near future, thereby contributing to the high-level development of an AI and data-driven society.**

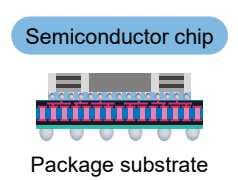
2025 — 2030 — 2035 — 2040

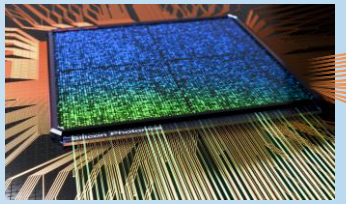
Trends in the evolution of semiconductors

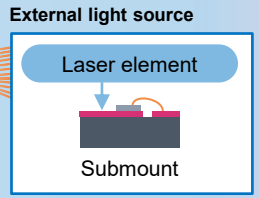
Higher computational speed and density, higher data transmission speed, and lower power consumption

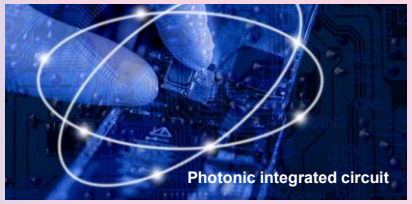
Transistor Scaling → **Chiplets** → **Optoelectronic integration** → **Photonic quantum computing**











Groups of products from NGK Corporation

Ceramic Heaters

Electrostatic Chucks

Translucent alumina ceramics for securing semiconductor chips temporarily

Increases yields of chiplet processes

Core substrates for semiconductor packages

Increases chiplet size and density

Quartz bonded wafers for high-frequency timing devices

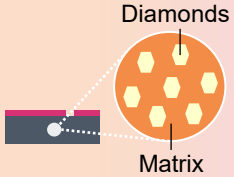
Quartz/Si

Increases data transmission speed

InP bonded wafers for laser diodes

InP/SiC

Diamond composite materials with high heat dissipation for laser submounts



Increases output and operation stability of lasers

Large-diameter, high-quality TFLN wafers for photonic integrated circuits

LN/Si

Realizes high-quality photonic integrated circuits

Participating in a NEDO project

For semiconductor manufacturing processes — **For data center peripherals**

Net Sales target 50 billion yen or more in FY2030, and 100 billion yen or more in FY2035

©2026 NGK Corporation

R&D Activities

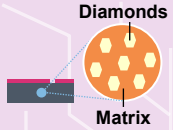
- Further enhance and expand the unique ceramic technologies built over our more than 100 years of history by collaborating with external partners.
- Contribute to the realization of a future society by linking our strengthened and expanded core technologies to the development of new products.

DS Domain

Semiconductors and AI

Core substrates for semiconductor packages

Translucent alumina ceramics



High heat-dissipation diamond composite materials

Data centers

Bonded wafers for timing devices

InP bonded wafers for manufacturing laser elements

Products for next-generation HDDs

TFLN wafers

Bonded wafers for high-frequency devices

Core technologies currently possessed by NGK Corporation

- Material technologies
- Production and processes
- Analysis and assessment
- Materials informatics

Proactively collaborate with external partners to strengthen and expand core technologies

Next-generation materials and innovative process technologies

DAC

Absorbing CO_2

Water electrolysis diaphragm

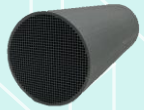
Decomposing water

Sub-nano ceramic membranes

Gas-liquid separation

CO2 Sensor

CO_2 measurement



Reactor

Fuel synthesis

CN Domain

Generation and separation of raw materials

Green fuel synthesis

Future area

Photonic computers

Decarbonized society

Fusion power generation

Contributing to future society

©2026 NGK Corporation

CN Domain — Products and Services for Carbon Neutrality

- **Design and implement business models that address social issues by leveraging absorption, separation, and synthesis technologies with a view to realizing a net zero society.**
- **Through our solution business, support the transition to renewable energy required by local communities.**

2025 — 2030 — 2035 — 2040 — 2050

Phase 1 Reduce

CO_2 emissions trading made mandatory or regulations on trading tightened in Japan and other countries

Increased need to reduce emissions by saving energy and using renewable energy

Phase 2 Change

Shift to electricity, hydrogen, and other alternative fuels in response to tightened regulations or rising emissions quota prices

Transition to a low-carbon structure using green energy

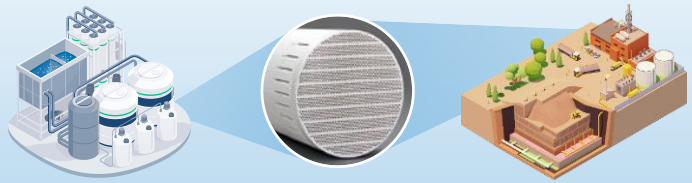
Phase 3 Eliminate

Active introduction of CCUS and zero-carbon energy solutions to address residual emissions

Achieve carbon neutrality*

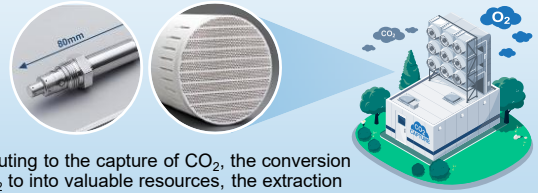
NGK products and services

Dehydration membranes / N_2 separation membranes



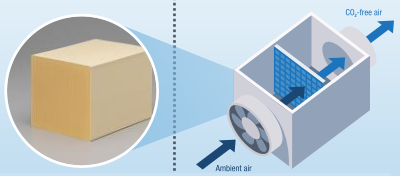
Streamlining waste and wastewater treatment and reducing waste-derived methane emissions

CO_2 sensors, separation membranes, extraction membranes, reactors



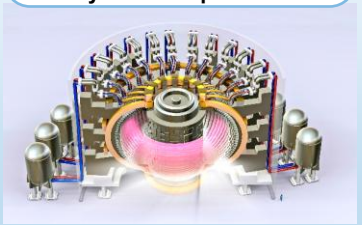
Contributing to the capture of CO_2, the conversion of CO_2 to into valuable resources, the extraction of resources, and green fuel synthesis processes

DAC (Direct Air Capture)



Capturing low-concentration CO_2 in the atmosphere

Fusion power generation system components



Energy Solution Business (business of selling services)

Comprehensive support from planning to the introduction and operation of renewable energy

Products (goods) × **Solutions (services)**

Providing comprehensive CN solutions

Emission reduction | Capture | Storage and use

Comprehensive support for customers implementing decarbonization

* While the 1.5-2.0 °C climate change scenario may be delayed, the trend will remain unchanged.

©2026 NGK Corporation

Sustainable Creation and Realization of New Value

- **Identify essential needs and address them with optimal solutions through technologies and co-creation, thereby sustainably creating New Value (newly launched businesses).**

Increase the sophistication of cross-business CRM*1 and the exploration of business opportunities using AI

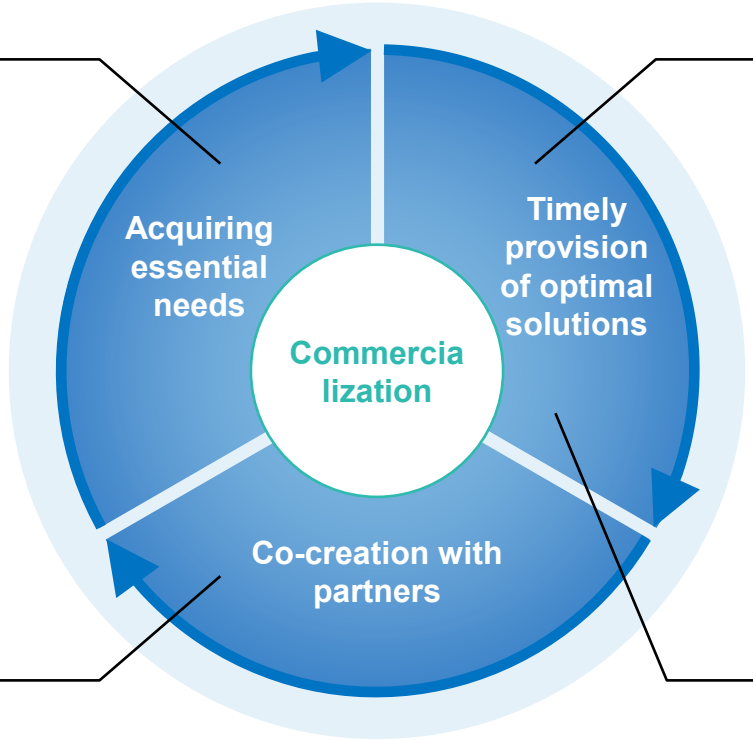
► Create business opportunities with data and AI

- Integrating needs, and network information into data to accelerate responses
- Proposing solutions and supporting activities by matching needs to technological information

Find technologically optimal solutions quickly using MI*2

► Provide new value to customers as quickly as possible

- Finding new compositions and new manufacturing methods using AI analysis and high-speed testing based on more than 10,000 pieces of experiment data accumulated since our founding
- Reducing development lead time to one-tenth of the previous level



Accelerate departure from self-reliance using the Co-Creation Center

► Accelerate business structure conversion through co-creation

- Opened in July 2025 to drive open innovation and co-creation
- Number of visitors since opening in FY2025:
  Cumulative total of more than 5,000 visitors in 1,050 groups

NGK Collaboration Square “DIVERS”

Strategically use intellectual properties

► Acquire a position with a competitive advantage

- Increase the sophistication of intellectual property management using AI and digital technologies
- Identifying industry trends by analyzing intellectual property in Japan and overseas
- Building a strategic intellectual property network centered on core technologies

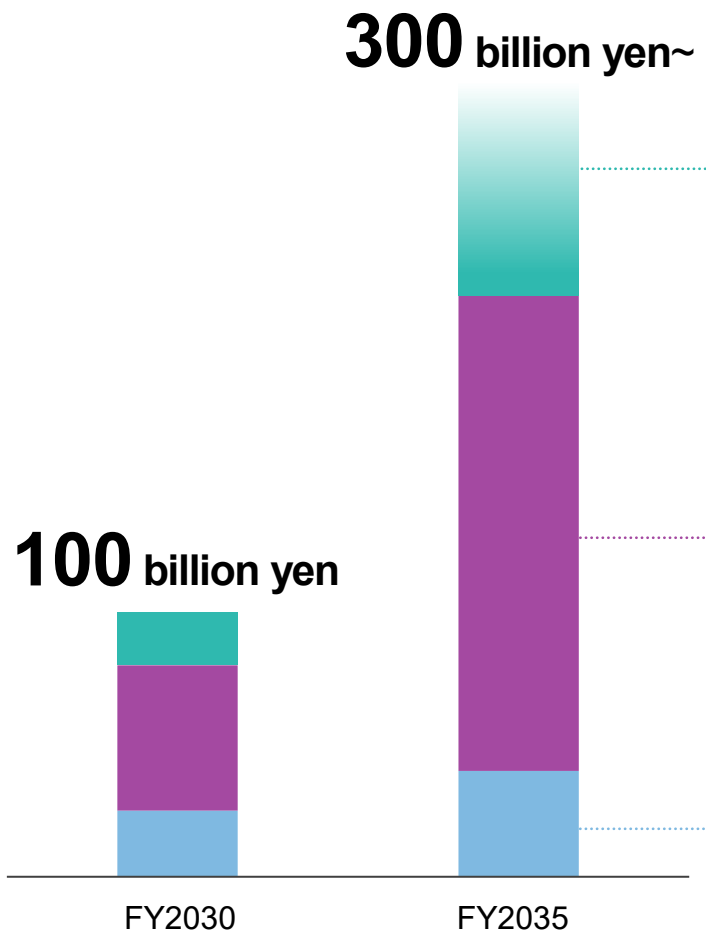
*1 Customer Relationship Management
*2 MI: Materials informatics, a method in which experiment and material property data is analyzed using AI to streamline and increase the sophistication of materials development

©2026 NGK Corporation

Creating New Businesses (New Value) Toward 2035

- With a focus on the DS domain, aim to achieve net sales of 100 billion yen from newly launched businesses* by FY2030 and more than 300 billion yen by FY2035.
- In the CN domain, contribute to sales through solution businesses and products that are full-scale market rollout starting in 2035.

Assumed Net Sales



		Candidate products (examples)			FY2030 Projected Net Sales
CN	Environment, separation and capture		Direct Air Capture (DAC), sub-nano ceramic membranes (CO_2)	etc.	10.0 billion yen~
	Energy		Energy solution business, dehydration membranes, beryllium components for nuclear fusion	etc.	
DS	Data centers		Parts for next-generation HDDs, bonded wafers for optoelectronic integration, core substrates for semiconductor packages, high-heat-dissipation components	etc.	25.0 billion yen~
	Semiconductor manufacturing		Translucent alumina ceramics, parts for SPE	etc.	
Environment Others	Environment		Gasoline sensor	etc.	25.0 billion yen~
	Others		Organic compound crystal search service	etc.	

* New businesses that were launched in or after FY2021

©2026 NGK Corporation

Digital transformation

Digital Transformation to Enhance Competitiveness throught AI Utilization

- **Enhance the competitiveness of all the group's businesses by embedding data-driven management across the organization.**
- **Stage 2 has been achieved as planned. Looking ahead to beyond 2030, we will commit to full-scale implementation of Stage 3 DX initiatives.**

Beyond 2030

Accelerating initiatives to further enhance competitiveness by ensuring data-driven management becomes entrenched

- Shifting from the use of AI to AI-driven operations
- Continuous adoption of the latest digital technologies.

Stage 3 | Full-scale implementation of DX activities ～ 2030

- Improving profitability at the business unit level
- Transforming business models on a Group-wide level

▶ **Building an AI-ready*1 data platform**

Stage 2 | Establishing a promotion framework and accumulating results ～ 2025

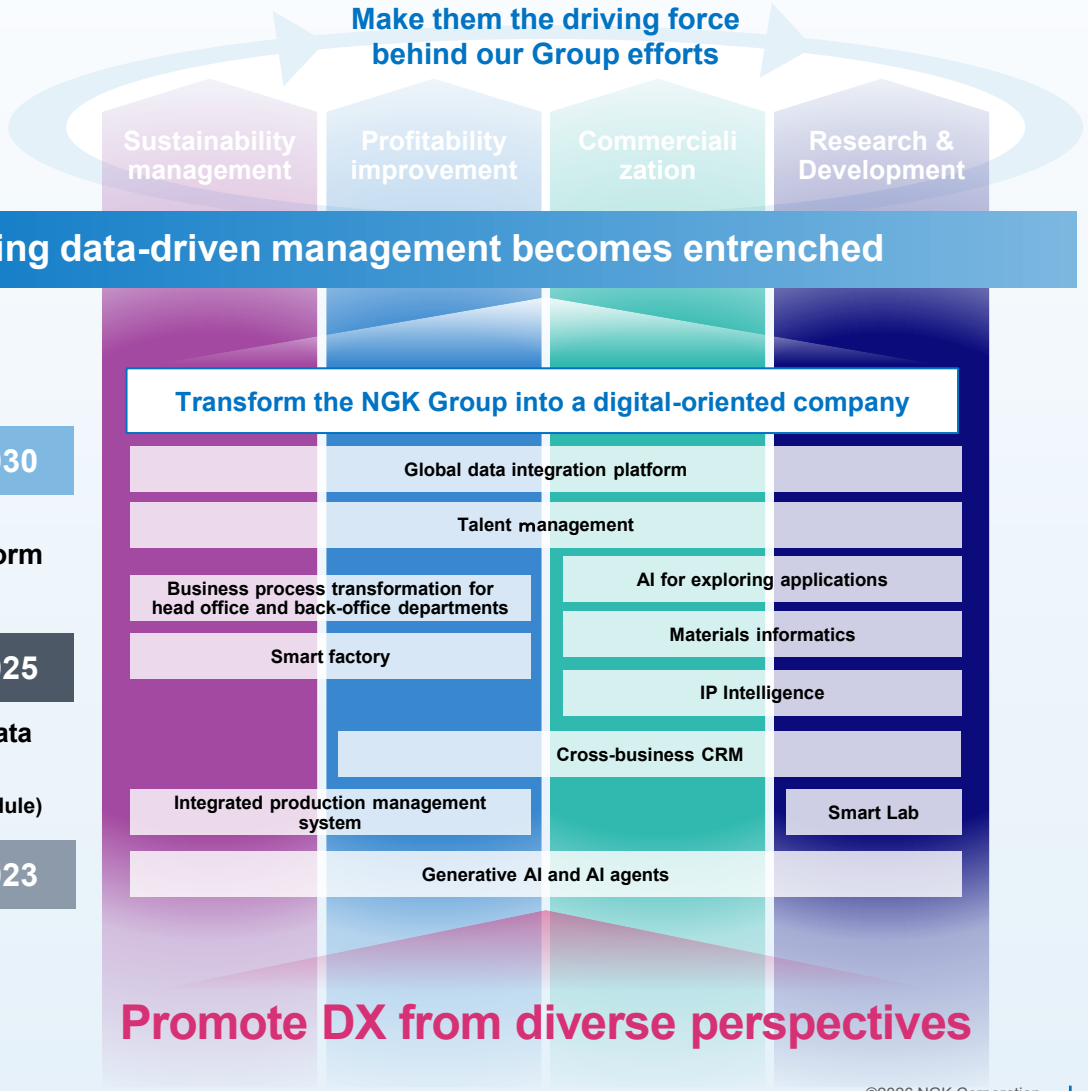
- Expanding DX experience horizontally within the Group
- Business units and work sites' self-directed DX activities

▶ **Development of human resources skilled in data utilization: Reached 1,685 employees*2**
(2030 target of 1,000 employees achieved ahead of schedule)

Stage 1 | Building infrastructure for the utilization of digital technologies ～ 2023

- Establishment of DX promotion sections, development of DX human resources
- Planning business process transformation projects and accumulating experience by taking on challenges

▶ **Infrastructure for data utilization completed, now used in 20 projects**



*1 A state in which data has been developed for the use of AI and it is possible to introduce AI promptly
*2 FY2025 results

©2026 NGK Corporation

Enhancing Corporate value by Addressing Social Issues

- **The NGK Group will achieve long-term growth by solving social issues through its business activities. We have identified our materiality, which are important issues for us to address to achieve our Philosophy and Vision. By pursuing opportunities and thoroughly managing risks, we aim to achieve the sustainability of our businesses and improve our corporate value over the medium to long term through co-creation with our stakeholders.**

The NGK Group's materiality management activities

Materiality management

Sustainable improvement of corporate value

through the pursuit of opportunity and the management of risk

Maximizing positive impact by solving social issues through businesses

The NGK Group's materiality

- Initiatives for climate change
- Contribution to digital social infrastructure
- Prevention of environmental pollution
- Pursuit of quality and product safety

Minimizing negative impact on society

The NGK Group's materiality

- Initiatives for climate change
- Promotion of resource recycling
- Prevention of environmental pollution
- Pursuit of quality and product safety
- Promotion of sustainable procurement
- Conservation and restoration of biodiversity
- Respecting human rights

Building a business foundation that supports all activities

The NGK Group's materiality

- Enhancing the value of human resources

©2026 NGK Corporation

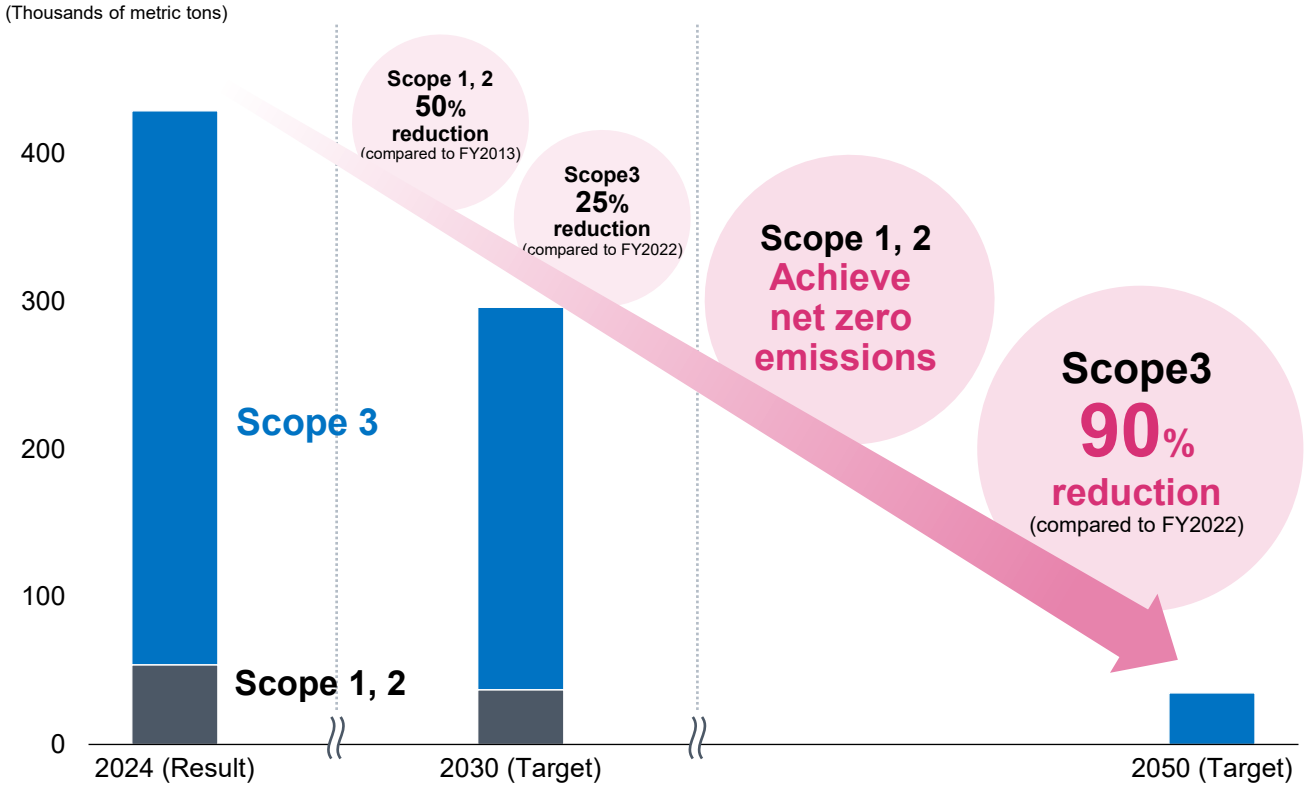
Additional Climate Change Initiatives

- **Help reduce the CO_2 and other GHG emissions of across society by strengthening existing initiatives and collaborating throughout the entire value chains, including suppliers and users.**

GHG emissions

Aim to achieve net zero (Scope 1 and 2) GHG emissions and reduce Scope 3 emissions by at least 90% from the FY2022 level by FY2050

Future initiatives to achieve carbon neutrality
(SBTi Net Zero Standard)



Major actions and their effects	Scope 1	Scope 2	Scope 3
Developing and providing CN-related products and services and applying them in internal processes	○	○	
Top-down enhancement of energy conservation	○	○	
Switching over to hydrogen, ammonia, and other fuels	○		
Capturing the CO_2 in furnace exhaust gases and reusing it through methanation	○		
Maximum use of renewable energy		○	
Collaborating with suppliers to reduce emissions due to raw materials, etc.			○
Helping users save energy and reduce their CFPs*			○

* Carbon Footprint: An indicator of the greenhouse gas (GHG) emissions throughout the entire lifecycle of products and services expressed as a CO_2 equivalent

©2026 NGK Corporation

Promotion of Human Capital Management

- **Embed a spirit of challenge and vitality into our corporate culture - long grounded in earnestness and resilience - to strengthen existing businesses while creating new value.**
- **Build an environment that enables diverse human resources to actively contribute, thereby accelerating transformation.**

The human resources NGK Corporation wants

- Human resources who continue to learn consistently and bravely take on challenges
- Human resources who use their expertise and diverse perspectives to create value
- Human resources who think on their own in uncertain areas and carry through with transformation
- Human resources who agree to development of organizations which permit diverse human resources to demonstrate their capabilities

Sustainable improvement of corporate value

Acceleration of the business structure conversion

Challenges taken on by diverse human resources and organizations

Key KPIs

Score for taking on challenges in the Corporate Culture of Taking on Challenges: A Survey on Workplace Vitality * Five-point scale	
FY2025	FY2030 onward
3.3	3.8 or above

Ratio of female managers	
FY2025	FY2030
5%	10%

Priority Strategies

Human resource development
Leading the enhancement of business and creation of new business

- Developing management human resources whose experience and values are diverse
- Leveraging knowledge from different fields and cultures to increase expertise
- Well-planned re-skilling to adapt to environmental change

Growth opportunities
Diverse human resources taking on challenges and demonstrating their capabilities

- Promotion of women and diverse human resources and assigning them to growth areas
- Career autonomy based on employees' intentions and aptitudes
- Cross-boundary experience and active assignment of employees beyond the boundaries between organizations, countries, and businesses

Fostering the culture Alignment with challenges and engagement

Personnel system infrastructure (introduced)	Management positions: Job class system	Multiplication of career	Management positions: Elimination of age requirements	Management positions: Stock compensation system	New Business Proposal Program

©2026 NGK Corporation

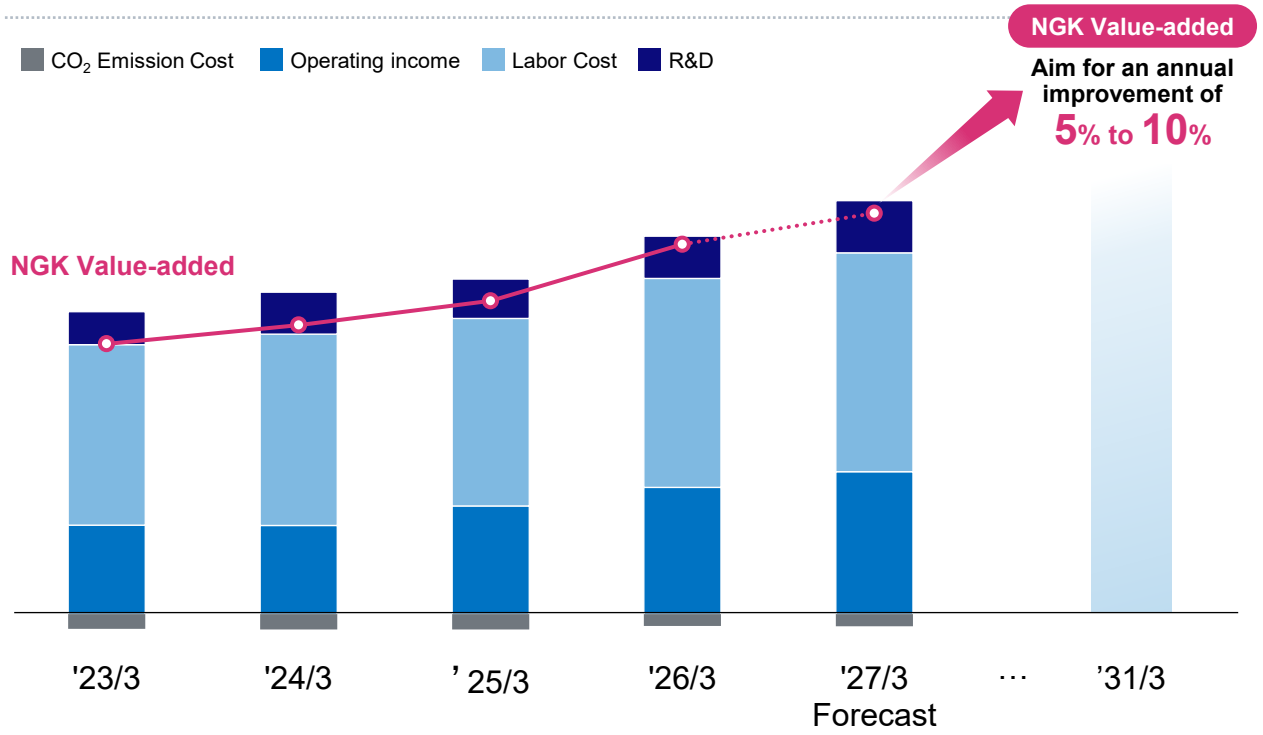
NGK Value-added: Enhancing Corporate value

- **Achieve sustainable growth in operating income while advancing Research & Development, human capital investment, and reducing environmental impacts, with the aim of enhancing financial and non-financial corporate value.**

NGK Value-added

= (Operating income − CO_2 Emission Cost* + Labor Cost + R&D) × Achievement ratio of ESG target

Short-term Profitability — Mid to Long-term Growth Potential



Initiatives to improve corporate value

Financial Value

- **Continuing to generate profits that exceed the cost of capital**
  - Strengthening business portfolio management
  - Improvement of ROIC
  - Reducing the cost of capital
- **Ensuring medium- to long-term growth**
  - Creating new products and businesses
  - Utilization of mergers and acquisitions

Non-Financial Value

- **Input in Research & Development and human capital as future sources of profit**
- **Continuous initiatives to reduce environmental impact**
- **Appropriate disclosure of non-financial information**

* CO_2 Emission Cost: Calculated based on ICP ($140/t CO_2)

©2026 NGK Corporation

Financial Targets

	FY2025 (Result) (Bn Yen)	FY2030 (Target) (Bn Yen)
Net Sales	670.1	**900.0**
CN and DS ratio	35%	**50%**
Operating Income **(Operating Income margin %)**	95.0 (14.2%)	**150.0** **(16.7%)**
Net Income	59.9	**100.0**
ROE	7.8%	**12%**
EPS (earnings per share)	206 yen	**370 yen**
Foreign exchange rates	USD 151 yen EUR 175 yen	USD 140 yen EUR 165 yen

©2026 NGK Corporation

Cash Allocation

- Prioritize the allocation of cash to growth investments (Research & Development and Capital Expenditures), and further, appropriate funds to M&A activities, capital alliances, additional investments, etc.
- Review shareholder returns and increase them, targeting dividend payout ratio of 35% or higher and target DOE of 3.5%.
- Flexibly purchase and cancel treasury shares in consideration of business conditions and cash on hand.

FY2021-FY2025
(Result)

Cash in	Cash out	
CF from operating activities before R&D expenses + Borrowings, etc. 700.4 billion yen	R&D 142.7 billion yen	
	Capital Expenditures 233.8 billion yen	
	Shareholder returns Carryover, etc. 323.9 billion yen	Dividend policy (three-year average results) • Dividend payout ratio: 30% • DOE3% as targets

FY2026-FY2030
(Plan)

Cash in	Cash out	
CF from operating activities before R&D expenses + Borrowings, etc. 1 trillion yen～	R&D 200.0 billion yen	
	Capital Expenditures 450.0 billion yen	Of which growth investments • SPE: 150.0 billion yen • DS-related: 150.0 billion yen
	Strategic investment Shareholder returns, etc. 350.0 billion yen	Flexibly pursue M&A activities, capital alliances, additional investments, etc. to transform business portfolio and accelerate growth in the CN and DS domains

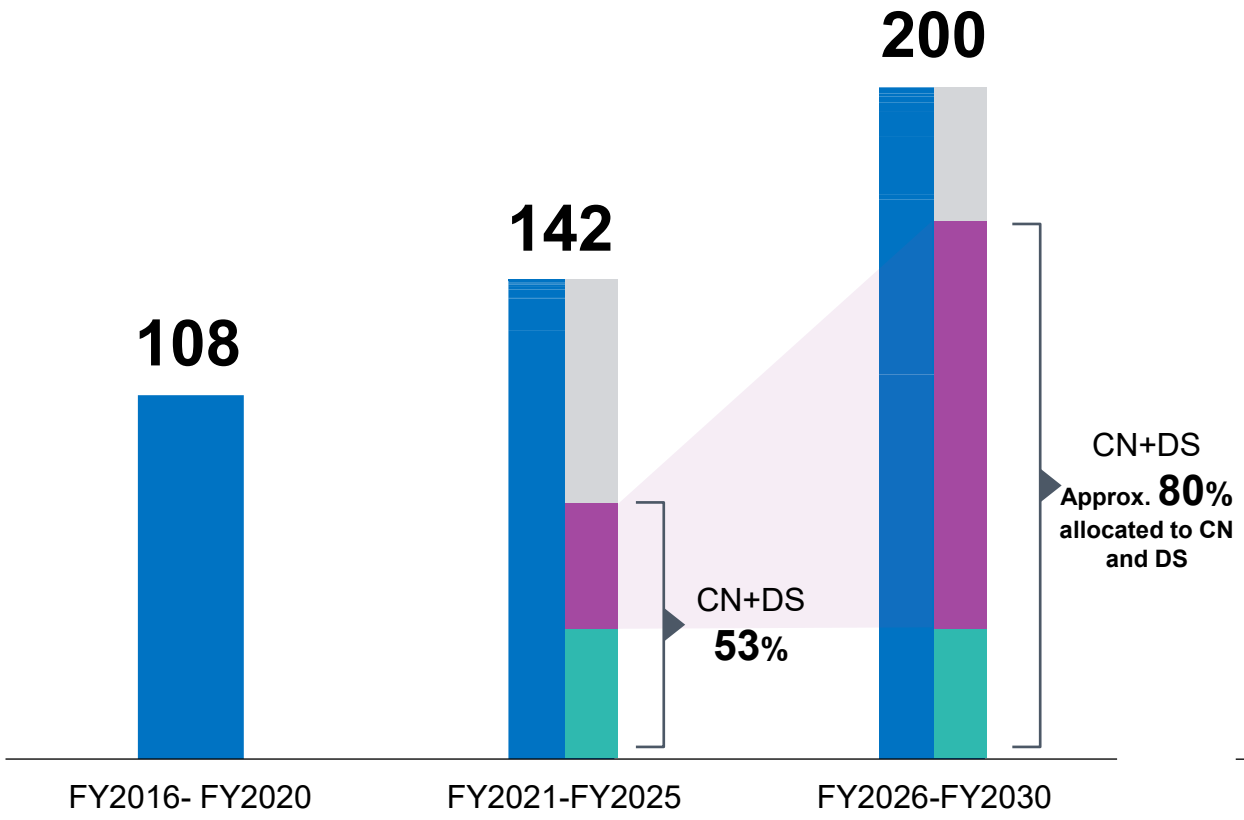
©2026 NGK Corporation

Research & Development and Capital Expenditures

- **R&D expenses are expected to total approximately 200 billion yen over the five-year period from FY2026 to FY2030, with around 80% allocated to CN- and DS-related R&D.**
- **Shift capital investments from the Automotive Ceramics Business to the DS business, with a primary focus on products for SPE.**

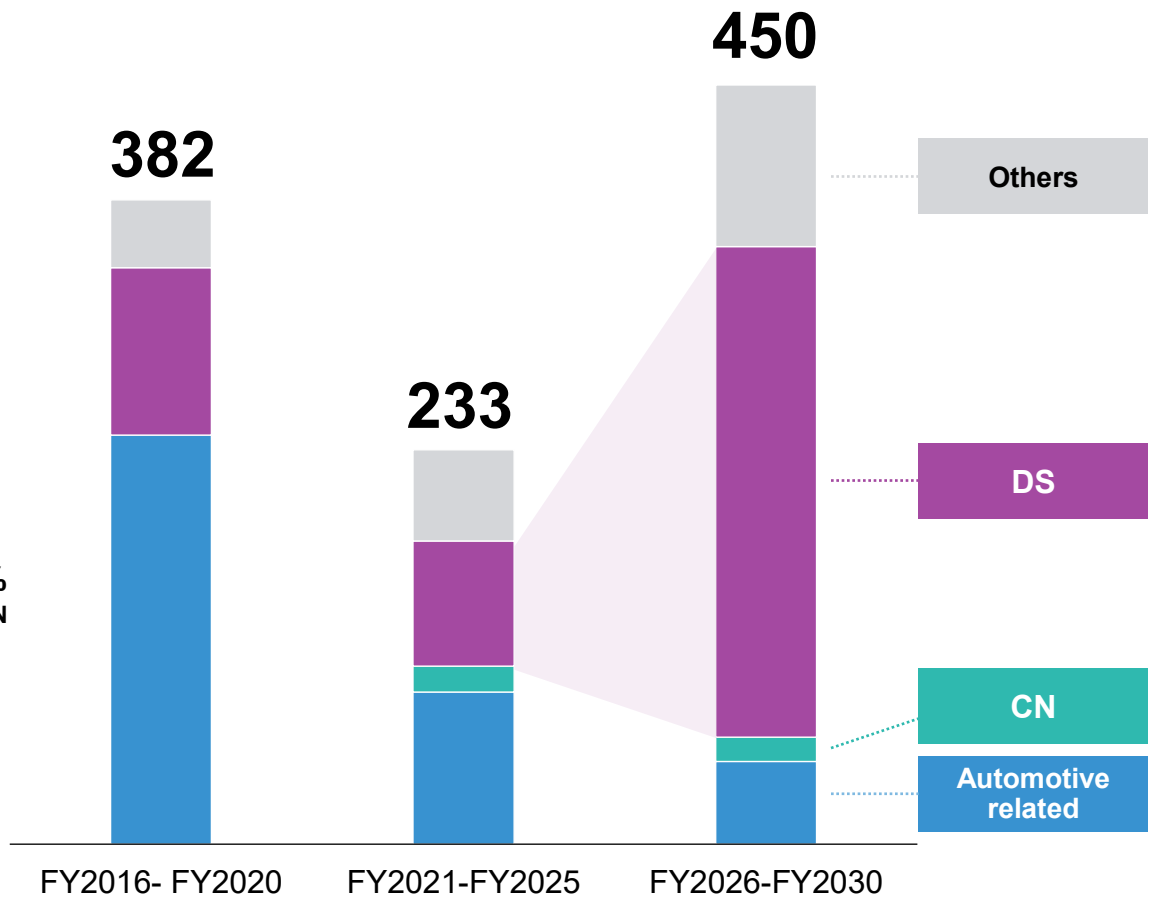
R&D expenses (five-year cumulative total)

(Bn Yen)



Capital investments (five-year cumulative total)*

(Bn Yen)



* Including the replacement of aging equipment, etc.

©2026 NGK Corporation

Long-Term Management Plan: Summary of Key KPIs

		FY2025 (Result) (Bn Yen)	FY2030 (Target) (Bn Yen)
Financial KPIs	Net Sales	670.1	**900.0**
	CN and DS ratio	35%	**50%**
	Operating Income	95.0	**150.0**
	Net Income	59.9	**100.0**
	ROE	7.8%	**12%**
	EPS (earnings per share)	206 yen	**370 yen**
Non-financial KPIs	GHG emissions	Scope 1 and 2: 32% reduction from the FY2013 level* Scope3: -	**Scope 1 and 2: 50% reduction from the FY2013 level** **Scope3: 25% reduction from the FY2022 level**
	Scores for Corporate Culture of Taking on Challenges: A Survey on Workplace Vitality	Utilization of diversity: 3.4 Taking on Challenges: 3.3	**Utilization of diversity: 3.8** **Taking on Challenges: 3.8**
	Rate of female managers (non-consolidated)	5%	**10%**

* Provisional figure before third-party assessment

©2026 NGK Corporation

Long-Term Management Plan 2026-2035: Summary

- **Formulate a new plan and strategy by positioning 2035 as the interim target year on the Road to 2050.**
- **Drive the business structure conversion, with DS business positioned as a growth driver.**

Desired state and What must be done

Desired state in 2035

Leap and Transformation

- Improve the profitability of existing businesses
- Drive growth through DS
- Lay the foundation for CN

What must be done

Profitability improvement	Enhance earning power by revising priority domains in line with environmental changes and concentrating management resources
Research & Development	Enhance and expand proprietary core technologies to develop new products that will contribute to a sustainable future
Commercialization	Achieve Net Sales from newly launched businesses exceeding 300 billion yen by 2035 by leveraging technologies and co-creating value to cater to fundamental needs
Digital transformation	Enhance competitiveness through company-wide adoption of data-driven operations leveraging the latest AI technologies
Sustainability management	Create sustainable value through the disciplined pursuit of opportunities and risk management

Roadmap to the achievement of our goals

Phase 1
Continuing businesses for internal combustion engines
Achieving the growth of the DS business

Phase 2
transforming our business structure as the DS and CN businesses grow

FY2025 results	FY2030 targets	FY2035 targets
CN and DS ratio 35%	CN and DS ratio 50%	CN and DS ratio 60% or more
Net Sales 670.1 billion yen	Net Sales 900.0 billion yen	Net Sales 1.3 trillion yen
NV (New Value: net sales of new businesses)		
–	100 billion yen	300 billion yen

Carbon neutrality (CN) Digital society (DS) Businesses for internal combustion engines, etc.

©2026 NGK Corporation

The purpose of this brief is to disclose information to enable people to better understand the NGK Group's policies, projections, and financial condition. It does not constitute a solicitation of the purchase or sale of NGK stock.
The figures included in this brief, including the business performance targets and figures, are projections based on the information currently available to the NGK Group, and are subject to factors that may change, such as economic conditions, the competitive environment, and demand in the future. Please be advised that actual business performance may differ substantially from the projections detailed here.

©2026 NGK Corporation