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Nippon Electric Glass Co., Ltd.
 Akira Kishimoto, President
 Securities identification code: 5214
 Prime Market of the Tokyo Stock Exchange
 Contact: Mamoru Morii, Director and Senior Vice President
 Phone: +81-77-537-1700

**Notice Regarding the Suspension of Production Activities at the Shelby Plant and
 the Transfer of the Lexington Plant of a U.S. Consolidated Subsidiary (Sub-subsidiary)
 in Connection with Structural Reforms in the Composites Business**

At the Board of Directors meeting held today, Nippon Electric Glass Co., Ltd. (hereinafter referred to as NEG) resolved to suspend production operations at the Shelby plant and to transfer the Lexington plant, both of which are owned by Electric Glass Fiber America, LLC (hereinafter referred to as EGFA), a consolidated subsidiary (sub-subsidiary) of NEG, as part of structural reforms in its composites business.

1. Background

The business environment surrounding our Group’s composites business has remained challenging in recent years due to changes in market structure and intensifying competition. In light of these circumstances, we have been implementing structural reforms to improve profitability and strengthen competitiveness in our composites business. In 2019, we closed EGFA’s Chester plant; in 2023, we wound down operations at our Dutch subsidiary; and in 2025, we decided to suspend production activities at our UK subsidiary. Through these measures, we have been working to restructure our production operations, while also striving to improve productivity, and review our product portfolio.

As part of these efforts, we have implemented measures at EGFA, such as improving productivity and reviewing our product portfolio. However, as it is expected to take additional time to improve profitability, we have decided to suspend production at the Shelby plant and sell the Lexington plant, thereby withdrawing from the production of glass fiber products in North America.

With this decision, we will streamline less competitive products to concentrate our management resources on growth areas and achieving medium- to long-term growth and improved profitability in the composites business.

2. Overview of EGFA

(1) Name	Electric Glass Fiber America, LLC
(2) Location	(Headquarters) Shelby, North Carolina, U.S. (Business Locations) Shelby, North Carolina, U.S. Lexington, North Carolina, U.S.
(3) Name and Title of Representative	Hiroki Mochizuki, President
(4) Business Activities	Manufacture and sale of glass fiber for plastics reinforcement
(5) Capital	100 US dollars
(6) Date of Incorporation	September 1, 2017 (Business acquired)

(7) Shareholders and Shareholding Ratios	Shareholder: Nippon Electric Glass America, Inc. (Hereinafter referred to as NEGA, a wholly owned subsidiary of NEG) Ownership percentage: 100%
(8) Relationship with NEG	
Capital relationship	Through NEGA, NEG holds 100% of the voting rights in EGFA.
Personnel relationship	2 secondees from NEG
Business relationship	NEG leases machineries to EGFA. Partial loans and partial debt guarantees have been provided by NEG.
Status as related party	Since EGFA is a consolidated subsidiary of NEG, it is a related party.

(9) Results of operations and financial position of EGFA for the most recent three-year period

[USD Million]

	Fiscal Year Ended December 2023	Fiscal Year Ended December 2024	Fiscal Year Ended December 2025
Net assets	131	104	99
Total assets	238	215	216
Net sales	266	238	237
Operating loss	(15)	(18)	(6)
Ordinary loss	(17)	(19)	(10)
Net loss	(17)	(26)	(4)

3. Overview of the Buyer of the Lexington Plant

(1) Name	Saint-Gobain Adfors America, Inc.
(2) Headquarter Location	Buffalo, New York, U.S.
(3) Business Activities	Manufacture and sale of glass fiber for construction and industrial applications

* The sale price and book value are not disclosed at the request of the buyer.

* There are no significant capital or personnel relationships between the transferee and NEG, and the transferee does not qualify as a related party of our company.

4. Scheduled dates

End of July 2026	Closing of the Transfer of the Lexington Plant
End of August 2026	Production at the Shelby plant will cease

5. Impact on our business performance

The transfer of the Lexington plant will have no material impact on our financial results. The impact of the suspension of production activities at the Shelby plant is currently under review. If we find that a large impact is expected, we will promptly make an announcement.