July 31, 2026

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 Concerning Recording of an Extraordinary Loss, Difference Between Forecasts and 1H Results, and Revision of Forecasts for FY 2026

The Company recorded an extraordinary loss in the second quarter of the fiscal year ending December 2026. A difference has arisen between the consolidated earnings forecasts for the first six months of the fiscal year ending December 2026 released on February 6, 2026 and the results released today. In addition, the Company has revised the consolidated earnings forecasts for the full year ending December 2026. Details are as follows:

1. Recording of an extraordinary loss

The Company recorded business restructuring expenses of 12.6 billion yen as an extraordinary loss in the second quarter of the fiscal year ending December 2026 (from April 1, 2026 to June 30, 2026). It is mainly due to the structural reform of the composites business announced on July 6, 2026, including the termination of production activities at the Shelby plant and the transfer of the Lexington plant, both of which are owned by Electric Glass Fiber America, LLC, a U.S. consolidated subsidiary (sub-subsidiary) of the Company.

2. A difference between the consolidated earnings forecasts and actual consolidated financial results for the first six months of fiscal 2026 (From January 1, 2026 to June 30, 2026)

(Millions of yen, except Earnings per share)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecasts (A)	150,000	11,000	11,000	8,000	¥106.34
Actual results (B)	156,406	11,373	16,290	6,414	¥86.34
Change (B – A)	6,406	373	5,290	(1,586)	-
Percent change (%)	4.3	3.4	48.1	(19.8)	-
Results for the first half of fiscal 2025	153,788	16,668	14,201	10,093	¥127.51

(Reasons)

Ordinary profit significantly exceeded the previous forecast due to the recording of foreign exchange gains, etc. arising from the revaluation of receivables and payables related to borrowings of overseas subsidiaries in non-operating income. On the other hand, profit attributable to owners of parent was below the previous forecast mainly due to the posting of the above-mentioned extraordinary loss.

3. Revision of the consolidated earnings forecasts for fiscal 2026
(From January 1, 2026 to December 31, 2026)

(Millions of yen, except Earnings per share)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecasts (A)	320,000	33,000	33,000	23,000	¥305.74
Revised forecasts (B)	300,000	20,000	25,000	15,000	¥201.90
Change (B – A)	(20,000)	(13,000)	(8,000)	(8,000)	-
Percent change (%)	(6.3)	(39.4)	(24.2)	(34.8)	-
Results for fiscal 2025	311,402	34,131	37,740	29,616	¥382.33

(Note) The Company is repurchasing its own shares pursuant to a resolution at the Board of Directors meeting held on February 6, 2026. The revised forecasts of "Earnings per share" take into account the impact of the repurchase of the shares by June 30, 2026.

(Reasons)

In the second half of the fiscal year, net sales are expected to fall below the previous forecast, due to factors including business restructuring at the U.S. subsidiary of the composites business and a slight decline in demand in the displays business. In terms of profit/loss, raw material and energy prices are expected to soar due to the situation in the Middle East and the yen's depreciation, and expenses are also expected to increase in the displays business as a result of periodic repairs. In addition, we expect to incur costs related to the termination of production activities at the U.S. subsidiary accompanying the business restructuring of the composites business. While we will work to revise selling prices and improve productivity across each business to mitigate the impact of cost increases, operating profit is expected to be below the previous forecast.

In light of the consolidated financial results for the first six months of the fiscal year and the outlook previously described, we have revised our full-year consolidated earnings forecasts for the fiscal year ending December 31, 2026 as shown in the table above.

We maintain the forecast for the full-year dividend (160 yen per share) for the fiscal year ending December 31, 2026.

*The above forecasts are based on information available as of the date of announcement of this release, and the actual performance may differ going forward due to various factors.