



May 29, 2023

Nippon Electric Glass Co., Ltd.
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Notice Concerning Dissolution of a Specified Subsidiary Due to Structural Reform of the Display Business

Nippon Electric Glass Co., Ltd. decided at the Board of Directors Meeting held today to dissolve Electric Glass (Korea) Co., Ltd. (EGKr), one of our consolidated subsidiaries, as part of the structural reform of the display business. Details are as follows:

1. Reason for dissolution

In line with the shift of the flat panel displays (FPDs)-related market to China, in order to strengthen its business foundation in China, our Group has worked to increase production capacity by building a consistent production system, from melting and forming to processing, in Xiamen City and to create a production and supply system by establishing processing bases in major regions.

Meanwhile, demand is shrinking in the South Korean market, and the performance of EGKr, a consolidated subsidiary of the company, is rapidly deteriorating due to decreased sales and the impact of higher costs associated with lower operating rates. Under these circumstances, we have decided to dissolve EGKr after comprehensively considering the outlook for future demand in the South Korean market, the profitability of continuing its business, and other factors.

Going forward, we will concentrate our management resources on business development in the Chinese market and the development of high value-added products. We will also strive to strengthen the competitiveness of the display business by accelerating the horizontal development of innovative manufacturing processes, including all-electric melting technology. Paju Electric Glass Co., Ltd., a consolidated subsidiary, which handles the glass processing business for FPDs in South Korea, will continue to operate.

2. Overview of the subsidiary

| | |
|---|---|
| 1. Name | Electric Glass (Korea) Co., Ltd. |
| 2. Address | Paju-si Gyeonggi-do, Korea |
| 3. Name and title of representative | Takayuki Noda, Representative Director |
| 4. Scope of business | Manufacturing (melting and forming) and sale of glass for FPDs |
| 5. Share capital | 167,117 million won |
| 6. Founded | May 2012 |
| 7. Major shareholders and shareholding ratios | Nippon Electric Glass Co., Ltd. 100% |
| 8. Relationship between the company and EGKr | |
| Capital relationship | The company owns 100% of EGKr. |
| Personnel relationship | 2 employees of the company assigned to EGKr as directors 14 secondees from the company |
| Business relationship | The company sells glass products and others to EGKr. |
| Status as related party | Since EGKr is a consolidated subsidiary of the company, it is a related party. |

9. Results of operations and financial position of EGKr for
the most recent three-year period

(Million yen)

| | Fiscal Year Ended December 2020 | Fiscal Year Ended December 2021 | Fiscal Year Ended December 2022 |
|------------------|------------------------------------|------------------------------------|------------------------------------|
| Net assets | 43,673 | 45,034 | 45,144 |
| Total assets | 47,939 | 56,395 | 47,799 |
| Net sales | 18,104 | 24,484 | 15,900 |
| Operating profit | 1,160 | 1,611 | 524 |
| Ordinary profit | 1,190 | 1,733 | 616 |
| Profit | 1,151 | 1,360 | 494 |

3. Scheduled dates

| | |
|-----------------------------------|-------------------|
| Resolution of dissolution | May 29, 2023 |
| End of production | End of June, 2023 |
| Dissolve and start of liquidation | End of July, 2023 |

4. Impact on our business performance

Loss of dissolution and impact on our business performance is currently under review. If we find that a large impact is expected, we will promptly make an announcement.