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Notice of Establishment of the New Medium-term Business Plan “EGP2028”

Nippon Electric Glass Co., Ltd (the “Company”) hereby announces that it has established a new medium-term business plan “EGP2028” (**E**lectric **G**lass **P**rospects 2028), which covers a period of five years from fiscal 2024, as detailed below.

The Company aims to enhance its corporate value and improve its PBR through the implementation of measures set forth in EGP2028.

1. Slogan

STRONG GROWTH

2. 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.

3. Period

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

4. Management Targets

-Net sales	400 billion yen
	Electronics & Information Technology: 190 billion yen
	Performance Materials*: 160 billion yen
	New Business: 50 billion yen
-Operation profit	50 billion yen
-Operation margin	12.5%
-ROE	8%
-Year to achieve targets	Fiscal 2028

*The segment name has been changed from “Performance Materials and Others.”

5. 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 (50 billion yen 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).

6. 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.

- Share repurchases

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.

- Continuous expansion of dividend: Toward a target DOE of 3%

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

7. 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 CO₂-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.