

Company Overview (As of October 31, 2025)

Company name:	OHARA INC.
Address:	1-15-30, Oyama, Chuo-ku, Sagamihara-shi, Kanagawa, Japan
Telephone:	042-772-2101 (representative)
Established:	October 1, 1935
Capital:	5,855 million yen
Business contents:	Manufacture and sale of glass materials for optical and electronics applications
Number of employees:	468 (1,421 for the entire Group)
Website:	https://www.ohara-inc.co.jp/



Stock Information (As of October 31, 2025)

Status of shares

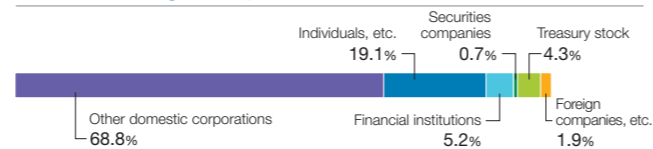
Total number of authorized shares:	76,000,000
Total number of issued shares:	25,450,000
Number of shareholders:	10,739

Major shareholders

Name	Number of shares held (thousand)	Investment ratio (%)
Seiko Group Corporation	4,702	19.3
Canon Inc.	4,694	19.3
Kyobashi Kigyo Kabushiki Kaisha	4,688	19.2
Sanko Kigyo Kabushiki Kaisha	1,651	6.8
The Master Trust Bank of Japan, Ltd. (trust account)	1,205	4.9
TOPCON CORPORATION	673	2.8
Seiko Instruments Inc.	610	2.5
Olympus Corporation	400	1.6
JP MORGAN CHASE BANK 385781	130	0.5
OHARA Employee Stockholding Association	119	0.5

(Note) Treasury stock (1,085,000 shares) is deducted in calculating the investment ratio.
Treasury stock includes 144,000 of the company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account), in accordance with the introduction of the "Board Benefit Trust (BBT)" system.

Shareholding Composition



Shareholder Information

Business year:	November 1 to October 31 of the following year
Record date of dividends of surplus:	October 31 (April 30 for interim dividends)
General Meeting of Shareholders:	Late January of each year
Number of shares per unit:	100 shares
Handling office of shareholder registry administrator:	1-3-3, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department of the Head Office, Mizuho Trust & Banking Co., Ltd.
Method of public notice:	Electronic public notice (https://www.ohara-inc.co.jp/) However, if an electronic public notice cannot be issued due to any unavoidable reasons, a notice will be published in the Nikkei.

Management Philosophy

The OHARA Group continually seeks to instill new values and build a strong organization for the purpose of advancing the wellbeing of its people and contributing to the prosperity of society.

Corporate Message

Brand Slogan

The Future Made Clear

The Society and the Future OHARA Desires
 A secure and healthy life. A society that cultivates creativity and aspirations. Sustainable wellbeing of our planet.

OHARA's Mission

Pursue opportunities by developing new materials for every era.
 Form alliances with diverse partners to elevate lifestyles and cultures and promote innovation.
 Advancement of new frontiers and improvement of the global environment.

OHARA's Values

Outstanding materials that exceed expectations and facilitate our customers' success.

Culture

Proceed with integrity Craftsmanship without compromise
 Initiate a continuous cycle of challenge Work together as 'All OHARA' Respect, transformation & growth

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Editorial Policy

This report is intended to provide the OHARA Group's story of value creation, growth strategies, and other information in order to help our many stakeholders understand our efforts to enhance our corporate value.

We will continue to improve the document to make it easier to understand going forward.

Scope of Report— This report mainly covers the activities of nonconsolidated OHARA INC.
 * The figures in the financial reports, however, denote numbers that include the results of the Group companies.

Reporting Period— FY 2025
 From November 1, 2024, to October 31, 2025
 * There are, however, some references to activities for FY 2026.

Date of Issue— March 2026

Reference Guidelines— GRI, GRI Sustainability Reporting Guidelines
 Ministry of the Environment, Environmental Reporting Guidelines 2018

At a Glance

OHARA is a long-established manufacturer of optical glass and special glass materials and is developing the Optical business and Electronics business.

Japan's first manufacturer specializing in optical glass

Establishment

1935

90th anniversary of founding in 2025

Number of product types

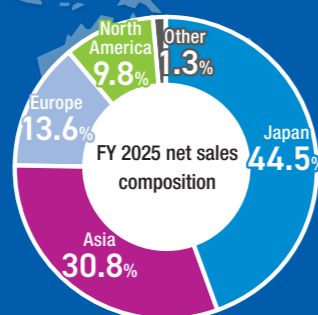
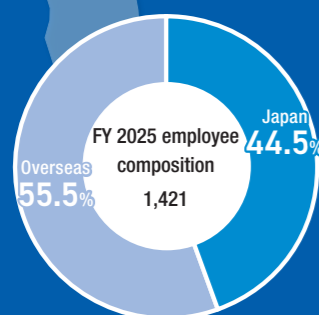
Over 170 types

World-class product lineup

As of March 2026

Number of production bases and Group company business bases

[Domestic] 3 bases [Overseas] 9 bases in 5 countries



OHARA sells its products worldwide, with overseas net sales accounting for **55.5%** of total sales.

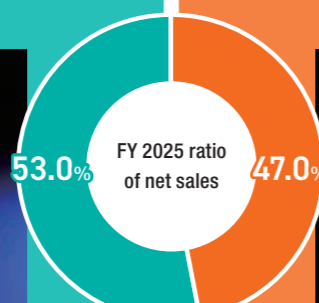
Optical Business

Handles optical glass used mainly for camera lenses.



Electronics Business

Handles special glass and glass ceramics developed using optical glass technology.



OHARA—Supporting Society

OHARA provides a wide range of glass products to society and is highly regarded by various customers. We will continue to draw on our experience to create customer-oriented products, aiming to achieve a prosperous future.



State-of-the-art technologies supporting society



Semiconductor exposure equipment



Batteries

Top Message

We will optimize procurement and drive sales expansion by embracing change, strengthening growth areas, and advancing structural reforms to improve profitability.

Hirokazu Saito

President, Chief Executive Officer

● Business Performance for FY 2025 and Focus on Growth Areas

Sales increased but profits decreased due to increases in prices of raw materials and a slowdown in semiconductor demand

The OHARA Group is currently implementing Medium-Term Management Plan Phase 2 (FY 2024-FY 2026), the second stage of the Long-Term Vision 2035 leading up to the 100th anniversary of our founding in 2035. Under our Long-Term Vision, which aims to explore new businesses, deepen existing ones, and strengthen our management foundations, we carried out organizational reform in February 2025 to accelerate these initiatives in Phase 2. This reform established a new structure by integrating the Optical business and Electronics business divisions into a Strategic Task Team.

Looking back on FY 2025's operating results, the Optical business recorded higher sales—driven by pressed optical glass products in Japan and China—as demand recovered following inventory adjustments for interchangeable lens digital cameras and lenses. However, profits did not improve, as soaring raw material prices and costs associated with mitigating rare earth procurement risks had a significant impact, resulting in an operating loss comparable to the previous fiscal year.

In the Electronics business, sales of quartz glass increased for flat panel display (FPD) exposure equipment and semiconductor photomasks. Backed by growing demand for generative AI servers, special glass saw an increase in sales of low-dielectric glass used in electronic substrates for those servers. However, sales decreased in the previous fiscal year due to inventory adjustments of products for mainline semiconductor exposure equipment, which were affected by a slowdown in demand for power semiconductors.

This resulted in a decrease in the utilization rate of production facilities and changes to the product mix, leading to a decline in profits.

As a result, the consolidated results for FY 2025 saw net sales grow by 3.5% from the previous fiscal year to 28,895 million yen, surpassing initial expectations. However, operating income dropped by 17.6% from the previous fiscal year to 1,794 million yen, and ordinary profit fell by 11.5% from the previous fiscal year to 2,289 million yen. Profits attributable to owners of parent increased by 10.4% to 1,730 million yen, due to the recording of gain on sale of investment securities and income taxes - deferred.

As I mentioned at the outset, the Strategic Task Team aims to contribute to early performance in growth areas and the startup of businesses in new fields, and is advancing cross-organizational initiatives focused on commercialization and market development.

In expanding sales of products for semiconductor exposure equipment, we secured new orders in Europe and China, while "LICGC™" advanced through the customer material certification process in Japan. Although growth in the EV sector—the primary target market for "LICGC™"—has slowed, we plan to strengthen efforts to capture new demand, including in China, by increasing melting

capacity, building sales channels, and collaborating with processing partners. In the cross reality (XR) sector, we are promoting the development of new materials and have made progress through material evaluations in several programs.

Given our expectations for high growth potential in the future market for each theme, we will continue to strengthen the activities of the Strategic Task Team and aim to achieve medium- to long-term growth. We will contribute to business performance by developing new businesses in growth areas, and by building supply and sales formations for high-quality, high value-added products in collaboration with processing manufacturers and sales partners.

● Outlook for the Final Year of the Plan and Future Challenges

Assessing medium- to long-term environmental changes and market trends to formulate the next plan

Under the Medium-Term Management Plan Phase 2, we had planned to actively capture the expanding demand for low-dielectric glass driven by the spread of generational AI by shifting the melting plant at our Taiwan production base from the Optical business to the Electronics business. At the same time, we intended to expand facilities for low-dielectric glass through FY 2026, while consolidating optical glass melting processes, previously managed in Taiwan, into Japan, thereby improving the profitability of the Optical business. However, as mentioned above, prices of raw materials have risen sharply, and some optical glass raw materials have been affected by rare earth import restrictions. These and other changes in the external environment, which are beyond the control of private companies such as ours, have hindered the realization of the profitability improvements we had anticipated.

The Optical business in FY 2026 is expected to achieve sales at a similar level to FY 2025, driven by strong sales of pressed optical glass products for the digital camera market. In terms of income, we will implement price revisions and cost reduction measures to ensure appropriate profits. However, due to the diversification of rare earth procurement methods, improvements to production efficiency are failing to progress and related expenses are increasing. For these reasons, we expect to continue recording a loss.

In the Electronics business, we anticipate that inventory adjustments to products for semiconductor exposure equipment will continue until the first half of FY 2026. Meanwhile, the expansion of facilities for low-dielectric glass production at our Taiwan production base began to become operational from the start of the year, and we expect to be able to meet customer demand in the second half of FY 2026, thereby contributing to our performance. As a result, net sales are expected to increase slightly compared with FY 2025, but operating income is projected to decrease due to factors such as higher depreciation costs on investments in production facilities.

Based on these assumptions, for FY 2026 —the final year of Medium-Term Management Plan Phase 2 —we forecast consolidated net sales of 28,900 million yen (up 0.0% from FY 2025), operating income of 1,100 million yen

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(down 38.7%), ordinary profit of 1,600 million yen (down 30.1%), and profit attributable to owners of parent of 900 million yen (down 48.0%). These figures represent a significant deviation from the Phase 2 final-year targets of net sales of 32,000 million yen or higher, operating income of 3,700 million yen or higher, and ROE of 6.5% or higher, making it unlikely that we will meet the plan as originally scheduled. However, we believe these targets remain achievable —albeit later —once inventory adjustments for semiconductor exposure equipment products subside. During the fiscal year under review, we will begin formulating Medium-Term Management Plan Phase 3 (FY 2027 -FY 2029), considering future environmental changes and medium- to long-term market trends. In Phase 3, we will position capital allocation at the core of our strategy, aiming to strengthen our earnings structure and enhance corporate value by concentrating management resources on growth areas such as cutting-edge materials (semiconductor-related), reinforcing supply capacity through procurement diversification and advanced melting technologies, and implementing highly efficient operations that emphasize profitability and capital efficiency across each business.

The challenge for the Optical business is that the digital camera market has bottomed out and demand is recovering, while new applications such as XR are also expected to generate demand. Therefore, it is necessary to establish a highly efficient production system to meet these needs. To address the ongoing issue of rare earth procurement, we will pursue multiple approaches, including maintaining close cooperative relationships with our joint venture partners in China, developing new raw material procurement routes, and conducting research into new products that are rare-earth-free or contain reduced amounts of rare earths.

In the Electronics business, the recent inventory adjustments have delayed the growth of demand for products for semiconductor exposure equipment. However, we regard this as a medium- to long-term growth area and will continue capital investment and R&D investment to strengthen our ability to respond to market needs. Low-dielectric glass, which is expected to serve as a new growth

driver, will see the expansion of production facilities at our Taiwan production base completed. However, as market competition in this field will intensify, requiring further improvements in low expansion and dielectric properties, we will strengthen R&D in areas such as melting methods as well as molding and processing methods to achieve these advancements.

Furthermore, as a common challenge for both the Optical and Electronics businesses, we recognize that amid the increasing prevalence of geopolitical conflicts in the international community, along with the rise of protectionism and the progression toward bloc economies, it is essential to optimize our supply chains in line with these changing conditions in order to continue supplying materials to the market.

We recognize that our high value-added materials are essential key materials in the development of a wide range of industrial fields, including semiconductor manufacturing, medical field, and space and astronomy, and we regard fulfilling our responsibility to supply these materials to critical technological areas as an important mission. To fulfill this mission, we will develop new procurement routes and build a resilient supply chain to ensure a stable supply of reliable, high-quality materials.

● Identifying Priority Materiality Issues

Alignment with the vision for the company stated in the Corporate Message

When we formulated our Long-Term Vision 2035 in 2021, we established a new brand slogan, “The Future Made Clear,” and articulated “The Society and the Future OHARA Desires,” positioning it at the core of our Corporate Message. The content was established through discussions on how the OHARA Group can contribute to society and sustain its existence. We have communicated this vision for the company externally while also sharing it throughout the Group and striving to ensure its understanding and alignment among our employees.

In identifying the key issues (materiality issues) that the OHARA Group should prioritize in its relationship with society and the environment, we have now reviewed the definition, formulation process, and expression of the vision for the company that is articulated in the Corporate Message. Based on exchanges of views with our stakeholders, the management team has taken the lead in further refining and enhancing this vision.

The 11 materiality issues identified as key issues to be addressed while leveraging the strengths of the OHARA Group are categorized into three market and technology categories on which the Group focuses: “Quality of life,” “Industry and infrastructure,” and “Environment and energy,” as well as “Strengthening of governance.” These align with the vision for the company articulated in our Corporate Message, which the OHARA Group aims to realize through its value creation model. We believe that continuing initiatives to enhance corporate value through the structural reforms of existing businesses and creation of new businesses, along with efforts to strengthen governance that supports these initiatives, will lead to our

materiality initiatives and form the foundation for the growth of the OHARA Group as outlined in our Long-Term Vision 2035.

▶ OHARA Group’s Materiality

Category	Materiality
Quality of life	Realize a safe and secure society
	Contribute to healthy living
Industry and infrastructure	Contribute to optical technology
	Contribute to semiconductor manufacturing technology
	Contribute to the utilization of space development
Environment and energy	Provide the stable supply of high-quality materials
	Develop products that contribute to solving environmental issues
Strengthening of governance	Co-exist with the natural environment and reduce the environmental load
	Ensure active participation of diverse human resources
	Create a company that provides job satisfaction
	Promote supply chain management

Since our business activities are fundamentally based on a BtoB model, the key focus lies in how we engage with society and the environment through the materials we provide to our customers, and how we contribute to resolving relevant challenges. We recognize that manufacturing and supplying materials contributes to improving and enriching people’s lives and culture, inspires innovative technologies in industrial infrastructure, and supports responses to climate change. We view this as a theme that requires the OHARA Group’s unique approach since value is provided through the supply of materials. Going forward, we plan to visualize our activities based on these materiality issues and communicate them to our stakeholders.

● Key Themes in Sustainability Initiatives

Improve employee engagement scores through human capital initiatives

The Sustainability Committee, which I chair, plays a central role in promoting companywide activities regarding our sustainability initiatives. Starting in FY 2024, we have designated three key themes in particular: Digital Transformation (DX), the reduction of GHG emissions, and the strengthening of human capital, and have established subcommittees within the Sustainability Committee for each of these themes to strengthen our efforts.

If I were to describe our recent activities, we have been working to achieve results in DX by utilizing generative AI in administrative operations, expanding data management, and strengthening information security systems at our subsidiaries, all of which have led to tangible results. Furthermore, in our factory DX initiatives, we are advancing automation, including the development of a centralized management system for controlling the temperature of melting furnaces and the automation of glass inspections, which were previously performed visually by inspectors. Currently, these initiatives remain somewhat fragmented; however, we aim to gradually integrate them, build on their results, and expand their application to our subsidiaries. On the other hand, some of our subsidiaries are already advancing such areas as robot-assisted handling, and we

therefore aim to horizontally share these effective initiatives across the Group and expand the scope of DX throughout the organization.

Regarding the reduction of GHG emissions, the centralized management system for melting furnaces has indirectly contributed by improving utilization rates and yields. However, if we are to aim for even greater reductions, it will be necessary to modify the actual structure of melting furnaces to improve combustion efficiency. Currently, we are working on transitioning the heat source at our Taiwan production base to electric melting, and in the medium- to long-term, we are considering the introduction of new melting and combustion methods, such as oxygen-enriched combustion, microwave-assisted melting, and high-temperature, high-speed melting.

In strengthening our human capital, we are actively promoting young leaders as we integrate business divisions and form our Strategic Task Team, providing them with diverse experiences to develop the talent that will lead the next generation. At the same time, we are focusing on creating a system to effectively utilize human capital by conducting one-on-one interviews and training for both evaluators and those being evaluated. In FY 2025, in addition to the progress made with these initiatives, the effects of measures to improve the workplace environment and corporate culture became evident, resulting in a marked improvement in employee engagement scores. We believe that these initiatives will accelerate employees’ proactive behaviors and serve as a driving force contributing to the company’s sustainable growth. In FY 2026, we plan to increase the weighting of employee engagement scores in the performance-linked evaluation metrics for our directors to reflect our commitment to being a company that values its people and grows together with them.

● Message to Stakeholders

We will contribute to the development of a wide range of industries through materials that leverage our strengths

The international landscape is increasingly characterized by persistent uncertainty. In this environment, we intend to continue our business by anticipating multiple scenarios in response to the emergence of various environmental changes, and by having a firm set of preparations and decision-making criteria in place to ensure that value creation does not cease.

Backed by over 90 years of accumulated capabilities in R&D and technology, the OHARA Group’s high-quality, high-performance glass materials contribute to the advancement of a wide range of industrial fields. Guided by our mission to provide exceptionally reliable, irreplaceable materials in critical technological areas, we aim to achieve medium- to long-term growth toward the 100th anniversary of our founding by building a resilient business structure and supply chain capable of withstanding environmental changes.

We would like all stakeholders to look forward to the future endeavors of the OHARA Group, and we ask for your continued support.

History of Value Creation

Since its founding, OHARA has supported the foundation of the optical industry as Japan's first manufacturer specializing in optical glass. The following is a chronological introduction of the steps OHARA has taken so far.

From 1935

1935 Established OHARA Optical Glass Mfg. Co., Ltd. (now OHARA INC.) in Kamata, Tokyo by Jinpachi Ohara.



Founder
Jinpachi Ohara

1936 Started optical glass melting.



1944 Reorganized as a Joint-Stock Company. Built Sagami-hara factory.

1954 Started platinum pot melting.

1958 Started production of lanthanum glass.

1961 Started production of strip glass by continuous melting method.

1969 OHARA Glass reached the moon. (installed in Apollo 11)



1975 Started production of low refractive index-low dispersion glass (S-FPL51).

From 1980

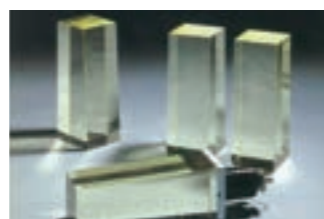
1981 Established Ohara Optical Glass Inc. (now Ohara Corporation (USA)).

1982 Installed OHARA Glass in Space-Shuttle "Columbia."

1983 Started volume production of high homogeneity glasses.



1984 Started supplying "Cherenkov glass" to National Laboratory for High Energy Physics.



1985 Introduced new company name "OHARA INC."

1987 Established TAIWAN OHARA OPTICAL CO., LTD.

Started production of high UV (365 nm) transmittance glass.

Established OHARA Precision Corporation (Japan) (now OPC Corporation).

1988 Started production of "Glass-Ceramics."

From 1990

1990 Established OHARA GmbH (Germany).

1991 Established OHARA OPTICAL (M) SDN. BHD. (Malaysia).

1993 Started production of "Ultra-low expansion glass-ceramics (CLEARCERAM™-Z)."



1997 Started production of "Glass Disk for Flying Height Tester (GD-FHT™)."

1999 Installed OHARA Optical Glass in Suprime-Cam in Subaru telescope.



Provided by: National Astronomical Observatory

Started production of "Glass Substrates for DWDM."

From 2000

2000 Started production of "Low Photo elastic Glass."

2002 Established OHARA OPTICAL (HONG KONG) LTD.

Established OHARA OPTICAL (ZHONGSHAN) LTD. (China).

2005 Listed on First Section of Tokyo Stock Exchange.



2006 Started production of "Eco-Glasses for optical fiber (for endoscope)."

2007 Started production of "Low-fluorescence Glasses (for microscope)."

Installed CLEARCERAM™-Z in the Lunar Orbiter "KAGUYA (SELENE)."



Illustration: Akihiro Ikeshita

2008 Converted Ohara Quartz Co., Ltd. to a consolidated subsidiary.

From 2010

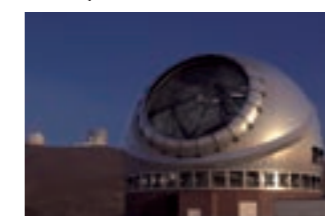
2011 Established NHG-OHARA OPTICS (XIANGYANG) Co., LTD. (China).

2012 Established Taiwan Ohara Optical Material Co., Ltd.

High homogeneity glass was installed in Hyper Suprime-Cam in Subaru telescope.

2013 Launched Lithium-ion Conductive Glass-ceramics (LICGC™).

2014 CLEARCERAM™-Z was adopted in the TMT high-powered astronomical telescope.



Provided by: National Astronomical Observatory in cooperation with: Mitsubishi Electric Corporation

OHARA Glass was adopted in the Hayabusa2 deployable camera (DCAM).

2015 Started mass production and supply of aspherical glass mold lenses.

Released Shock Resistant and High Hardness Clear Glass-ceramics (NANOCERAM™).

Released Non-Browning Optical Glass.

Launched LICGC™SP-01.

2016 Activated a solid-state battery prototype using LICGC™ at -30°C.

2017 Launched an optical glass material dedicated to automotive cameras.

Confirmed that LICGC™PW-01 is effective in improving the output of lithium-ion batteries.

2019 CLEARCERAM™-Z was adopted in Japan's largest telescope "Seimei."

Launched LICGC™PW-01.

From 2020

2020 Confirmed that LICGC™PW-01 is effective in improving the life of lithium-ion batteries.



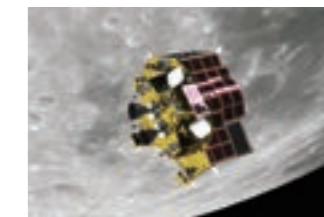
2021 OHARA Optical Glass was adopted in NASA's Mars rover "Perseverance."

2022 NANOCERAM™ was adopted as a camera protector for the micro-optical satellite "KITSUNE."



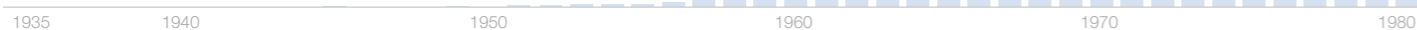
Provided by: HAK Consortium

2024 The company's optical glass was adopted in the small lunar landing demonstration vehicle "SLIM."



Provided by: JAXA

2025 LICGC™SP-01 was used in the National Institute of Advanced Industrial Science and Technology's hygroelectric cell.



The OHARA Brand Cultivated in 90 Years of History

OHARA INC. was founded on October 1, 1935 as OHARA Optical Glass Mfg. Co., Ltd. The founder, Jinpachi Ohara, worked as a craftsman and engineer at the Naval Arsenal and was engaged in creating prototypes of optical glass. After the Navy transferred the optical glass business to Nippon Kogaku K.K. (now NIKON CORPORATION), he worked as an engineer and factory manager for the company. Subsequently, his desire to manufacture optical glass independently convinced him to establish OHARA Optical Glass Mfg. Co., Ltd.

OHARA led the optical glass industry amid an upsurge in demand for optical equipment for military use during the war, and with the spread of domestically produced cameras after the war. Lanthanum optical glass, which has a high refractive index and low dispersion, has contributed significantly to the

development of Japan's camera industry as the standard lens for single lens reflex cameras.

As times change, the needs for glass are diversifying, leading to demand for greater functionality, quality, and size. OHARA will continue to develop special glass based on the glass composition, manufacturing, and measurement technologies it has cultivated in the optical glass business. From the late 1950s, OHARA began releasing a series of special glass products that pursued possibilities of glass, including heat-absorbing glass and low-expansion glass, which led to OHARA's unique glass research and manufacturing of today.

OHARA glass is not limited to Japan; it is also expanding into the European, American, and East Asian markets. In 1959, the company entered the North American market in its first step

toward globalization. In 1961, we delivered a large sheet of glass for measuring cosmic rays (Cherenkov glass) to the summit of a mountain in Bolivia, South America, for which we received high recognition overseas. At present, overseas sales account for over 50% of our total sales, and OHARA glass is contributing to the improvement of lifestyles and cultures around the world.

Furthermore, since first being used in the sextant and telescope of Apollo 11, the first manned moon landing in human history, OHARA's optical and special glass has been highly acclaimed in the space and astronomy fields, which require high-precision performance. In recent years, the company's glass has been adopted for today's state-of-the-art projects, including the Subaru telescope and the Thirty Meter Telescope (TMT), as well as for the small lunar landing demonstration vehicle "SLIM" in 2024. OHARA's products play an important role in new discoveries related to space.

OHARA's spirit of innovation has been passed down from its founding and will continue to shape our future. While contributing to the optical glass industry, which requires reliable technical capabilities to ensure high performance, we are also developing the semiconductor market, which is expected to experience strong demand for generative AI. In addition, we are promoting future-oriented initiatives to create new businesses, including in the NANOCERAM™, battery, XR, and low-dielectric glass markets.

Since its founding, OHARA has pursued the possibilities of new materials and continued value co-creation with a variety of partners to develop and supply unique glass materials. We will continue to create value for society and take on further challenges using the glass composition, know-how, and advanced manufacturing technologies we have accumulated over many years.

OHARA's Products That Contribute to Value Creation

Optical Business

Optical glass is used in a wide range of devices, including digital cameras, projectors, television cameras, automotive and security cameras, as well as medical equipment. The optical parts of optical devices are composed of combinations of optical components, including spherical lenses, aspherical glass mold

lenses, prisms, and filters, which are made with multiple types of optical glass with characteristics in its refractive index and/or its transmittance. At OHARA, we offer over 150 types of optical glass to meet diverse design needs —supporting higher performance, miniaturization, and cost efficiency in optical devices.

Product Overview

Optical Glass for Polished Lenses

This optical glass is for polishing applications, featuring optical properties such as refractive index and dispersion. It is used in applications including spherical lenses and prisms.

Optical Glass for Glass Mold Lenses

This optical glass is suitable for aspherical glass molding, and contributes to the reduction of aberrations in optical parts.

Product Supply Forms



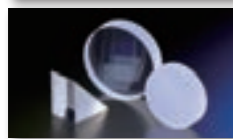
Glass Blocks

Annealed glass blocks. Refractive index and Abbe number are adjusted to the standard values.



Curve Generators

Reheat pressings processed into curve generators (CG).



Dimensional Specified Blanks

Glasses in customized special forms such as cut discs, cut rectangles, and cut prisms, as well as blocks sized to order.



Polished Preforms

Spherically polished products in a suitable shape to be processed into glass mold lenses.



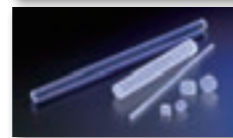
Glass Mold Lenses

Lenses fabricated by heating and softening polished preforms and transferring them in an ultra-high accuracy mold and supplied after centering and coating.



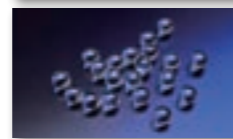
Reheat Pressings

Products molded in heat press to shapes suitable for polished lenses and prisms.



Saw-cut Centerless Ground Cylindrical Blanks

Blanks cut from a rod formed on a centerless grinding machine.



Polished Balls

Lenses polished into a sphere. Applications include use as a preform for glass mold lenses.




Polished Lenses

Finished lenses produced by polishing, centering, and coating.

Applied products and technologies


Mobile

- Smartphones




Automotive

- Automotive cameras



Security



- Security cameras



Imaging

- Digital cameras
- Projectors
- TV cameras

RF lens series
(Provided by: Canon Inc.)


Medical

- Endoscopes




XR

- AR/MR glasses




Industry

- FA cameras



Medical endoscope
(Provided by: Olympus Corporation)



Electronics Business

Our Electronics business products are used in a wide range of fields, including space industries, semiconductor/FPD exposure equipment, optical communications, and environment and energy. Using glass ceramics technology, which applies precision heat treatment to the glass base material to impart special properties, we provide unique materials with high functional value, such as CLEARCERAM™-Z with extremely low expansion,

NANOCERAM™ with high impact resistance, and LICGC™ that conducts lithium ions. In addition, i-line high homogeneity glass with excellent internal transmittance and optical homogeneity, and synthetic quartz glass, which exhibits excellent transmittance from deep ultraviolet to near infrared, are used in precision applications, such as lenses for semiconductor exposure equipment.

Product Overview

Ultra-Low Expansion Glass-ceramics (CLEARCERAM™-Z)



Glass-ceramic of zero-expansion, developed by our knowledge of homogeneous glass melting and nanocrystallization technologies.

This product is used as a mirror material for semiconductor exposure equipment and high-powered astronomical telescopes requiring a high degree of precision.

Lithium-ion Conductive Glass-ceramics (LICGC™)



Glass-ceramics with top class ion conductivity from its oxide-based solid electrolyte materials, and high levels of chemical stability and water resistance.

This product is expected to be applied in solid-state batteries, which are attracting attention as next-generation batteries, and as a cathode additive.

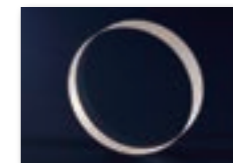
Shock Resistant and High Hardness Clear Glass-ceramics (NANOCERAM™)



Glass-ceramic which we have further improved OHARA's nanocrystallization technology, achieving both superior shock resistance and high transmittance.

This product is used in covers for automotive sensors and cover glass for smartphones where high strength is required.

i-Line High Homogeneity Glass



Optical glass with excellent internal transmittance and optical homogeneity.

This product is used for lenses for semiconductor exposure equipment and high-precision inspection devices where homogeneity of the refractive index is crucial.

Glass-ceramic Substrate for DWDM Thin-Film Filters (WMS™-15)



Glass-ceramic which achieved the best thermal expansion coefficient and the optimal Young's modulus for multilayer filters.

This product is an ideal material for DWDM filter substrates for optical communications.

Non-browning Glass



Optical glass that suppresses glass coloration under irradiation due to its special composition.

This product can withstand long-term use in strong radiation environments such as outer space.

Synthetic Quartz Glass



Synthetic quartz glass with high purity and high quality that has excellent properties from deep ultraviolet to far infrared, developed from manufacturing technologies of optical fiber.

This product is used in semiconductor/FPD exposure equipment and as a semiconductor substrate material.


Product Supply Forms

Depending on the product and application, we apply the processing technologies of the Group and partner processing manufacturers to offer a variety of product supply forms, including various custom-shaped products, precision-polished processed products, complex-shaped processed products, and powdering.

Applied products and technologies


Mobile

- Smartphones



Batteries

- Batteries



Semiconductor/FPD Exposure Equipment

- Semiconductor exposure equipment
- FPD exposure equipment



Space and Astronomy

- Satellites
- High-powered astronomical telescopes



Super Low Altitude Test Satellite "TSUBAME" (SLATS) (Provided by: JAXA)

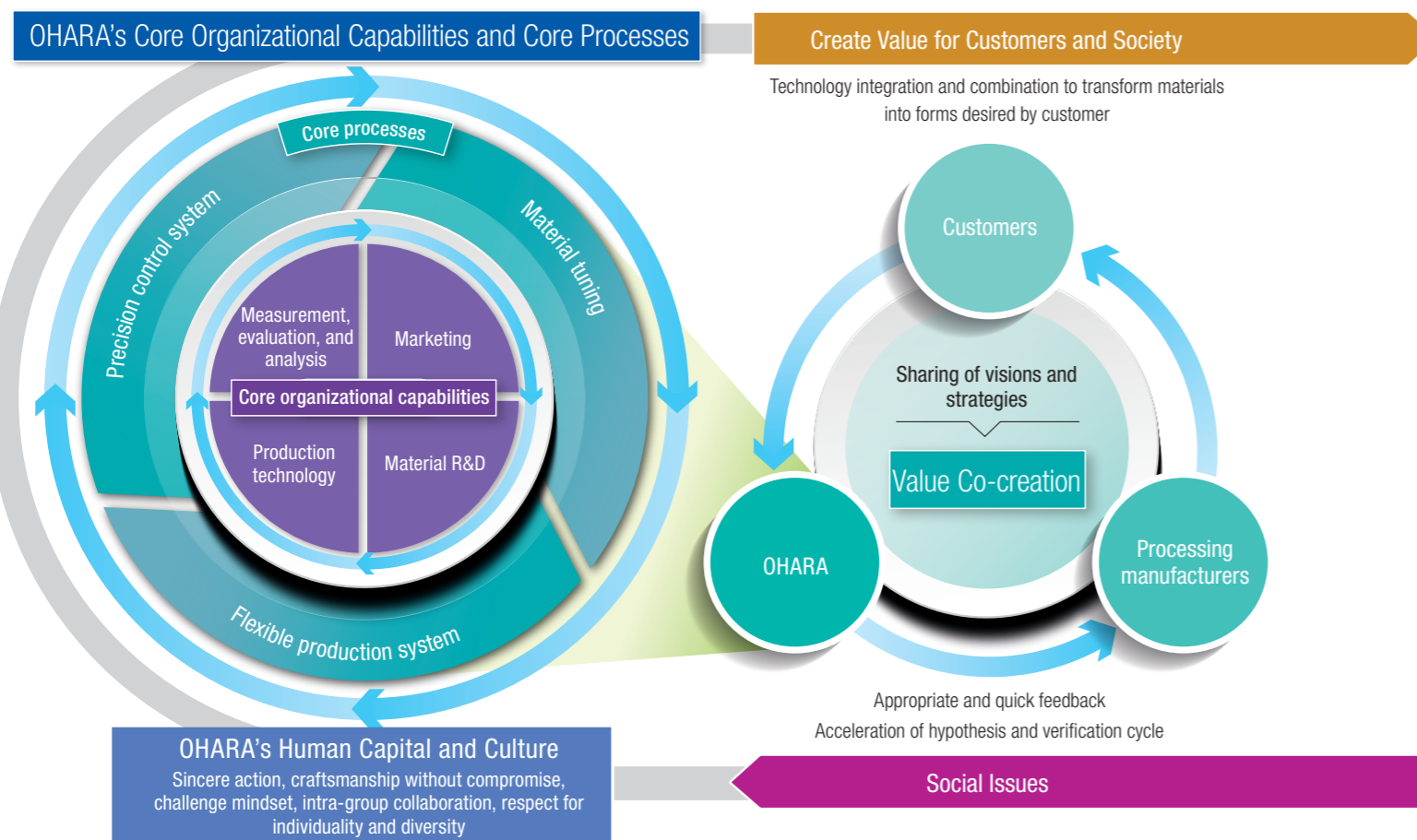
Optical Communications

- Dense wavelength division multiplexing (DWDM)



Value Creation Model

The OHARA Group's "value creation model" is an initiative to realize its brand slogan, "The Future Made Clear." By putting the value creation model into practice, we will fulfill our mission of realizing the society and the future that OHARA desires.



Towards the Realization of "The Future Made Clear"

The Thoughts Behind "The Future Made Clear"

"The Future Made Clear" is the brand slogan that expresses OHARA's vision as it approaches the 100th anniversary of its founding in 2035. It embodies OHARA's desire to provide "unique new value" to stakeholders through the outstanding materials that OHARA creates, and to "open up the future" by working together to solve social issues.

The optical glass, special glass, and quartz glass supplied by the OHARA Group have contributed to a wide range of manufacturing in Japan and overseas, and these products have enriched the lives of people around the world. In today's rapidly changing social environment, OHARA will contribute to the evolution and development of society and achieve sustainable growth by providing outstanding materials in order to contribute to the society and the future that OHARA desires: "a secure and healthy life," "a society that cultivates creativity and aspirations," and the "sustainable well-being of our planet."

OHARA Group's Value Creation Model

The initiative to realize our brand slogan is the value creation model. Creating outstanding materials by combining the core organizational capabilities and the core processes that are the source of value creation for the OHARA Group, and engaging in value co-creation through collaboration among customers, processing manufacturers, and OHARA will contribute to our customers' ability to succeed (= solving social issues). These activities are the basis for the OHARA Group's value creation and the foundations for establishing a competitive advantage.

- Create outstanding materials that exceed expectations by pursuing the possibilities of new materials with core organizational capabilities and core processes, and open the future through value co-creation with customers and processing manufacturers

- Embody this to contribute to elevating lifestyles and cultures, advancing new frontiers, and improving the global environment by addressing social issues.

We believe that OHARA's mission is to solve social issues, increase value creativity, and realize the society and the future that OHARA desires by putting this value creation model into practice.

* For details of core organizational capabilities, core processes, and value co-creation, please refer to pages 15-16.

100th Anniversary of Founding in 2035. Aiming for Sustainable Growth

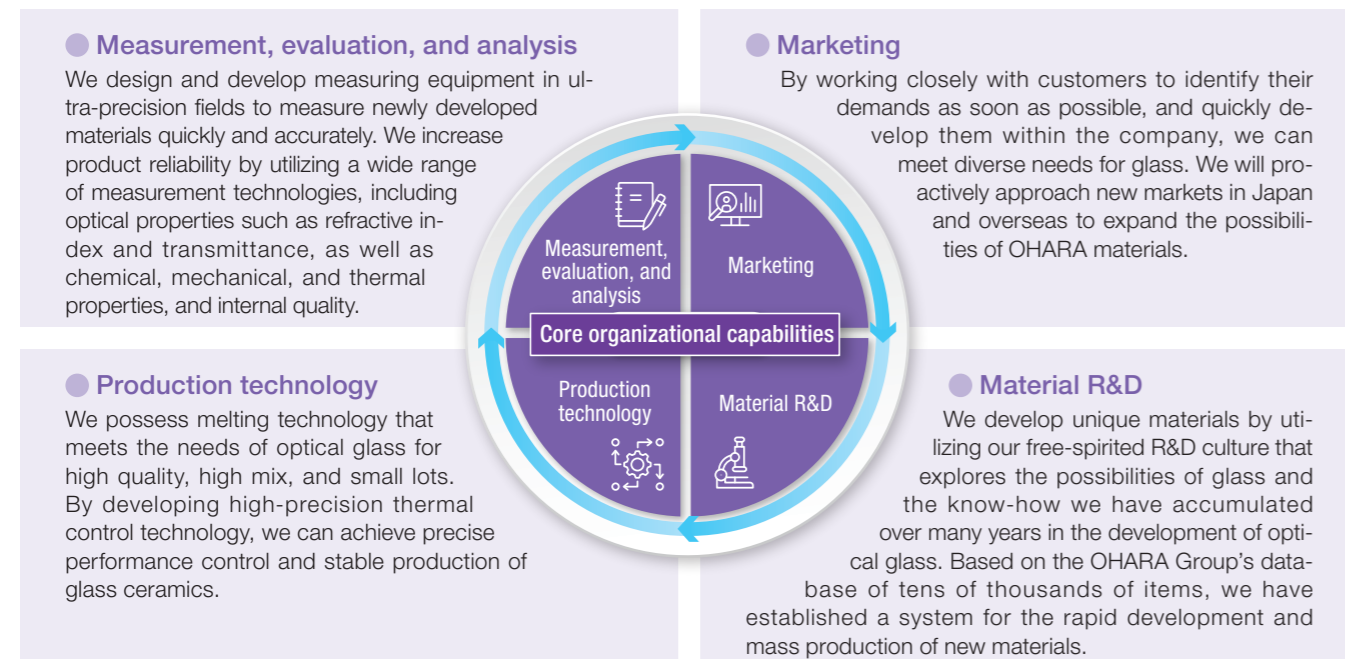
OHARA, which will celebrate the 100th anniversary of its founding in 2035, has formulated Long-Term Vision 2035 to realize "The Future Made Clear." Under the Long-Term Vision 2035, we aim to achieve the sustainable development of the OHARA Group by working to improve corporate value through the structural reforms of existing businesses and creation of new businesses and have established the following indicators.

Financial indicators	ROE ● 8.0% or higher (FY 2035)
Non-financial indicators	GHG emissions compared to FY 2018 ● 50% reduction Female representation in management ● 30%

Source of Value Creation

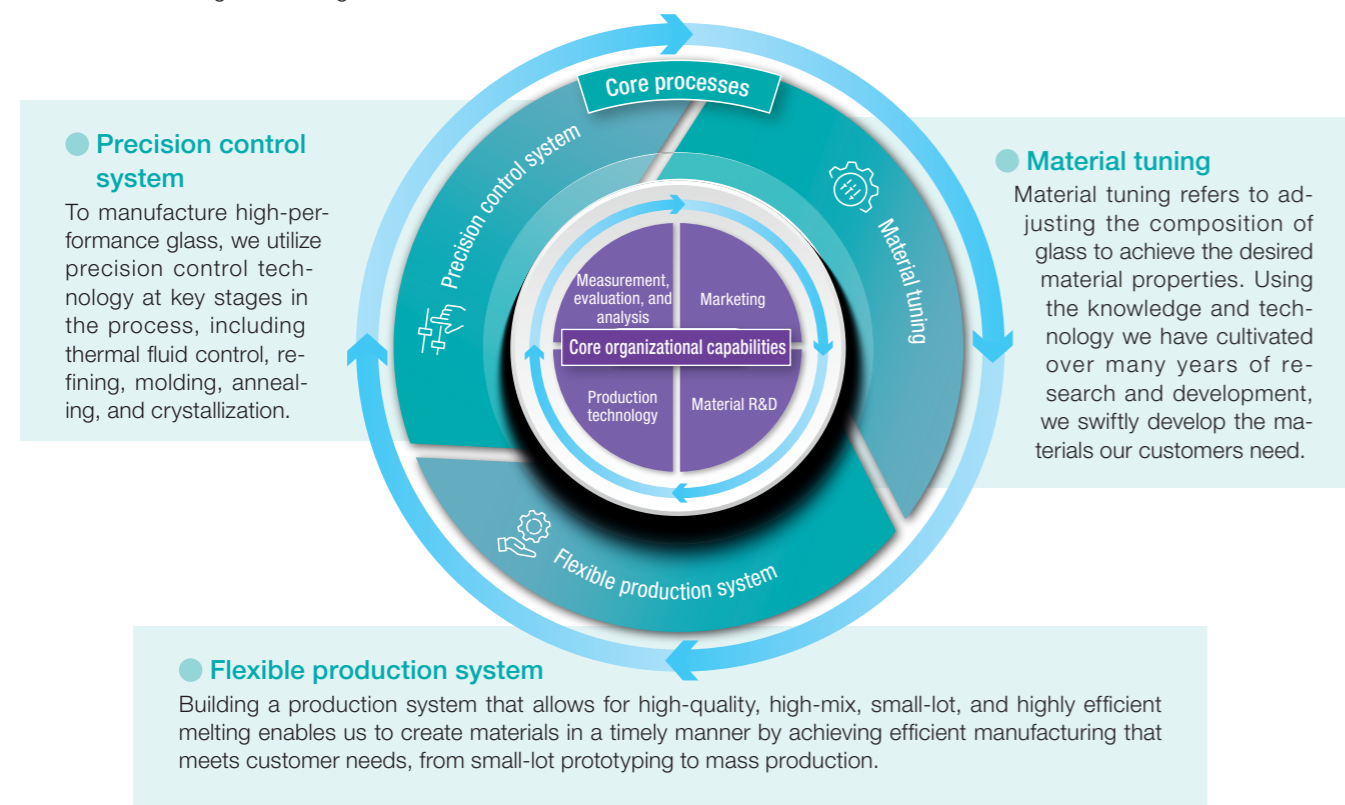
OHARA's Core Organizational Capabilities

OHARA's "core organizational capabilities" are the source of value creation that supports the sustainable growth of the OHARA Group. The company leverages these organizational capabilities to meet the needs for new material development and will continue to refine the processes for creating new technologies, thereby promoting business growth.



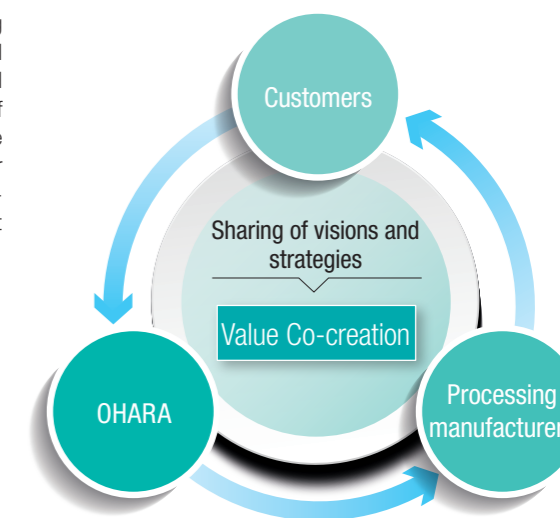
OHARA's Core Processes

OHARA's "core processes" refers to a series of processes that connect our customers with OHARA's core organizational capabilities to swiftly provide OHARA's products and services. By means of these processes, we provide our customers with the optimal materials to solve their technological challenges.



Value Co-creation

Value co-creation refers to activities whereby we provide outstanding materials by combining OHARA's core organizational capabilities and core processes, and have customers, processing manufacturers, and OHARA work together to create value. We will respond to the needs of the times by developing our business with an understanding of the entire supply chain, including where and how materials are processed and for what devices they are provided. Through value co-creation we will accelerate our development activities and continuously achieve timely product releases in order to further establish competitive advantage.



Organizational Culture That Proactively Takes on New Challenges

Today, the economic environment and technology are changing at an accelerating pace, making it increasingly difficult to foresee the future. Under our Long-Term Vision 2035, we aim to be a company that can change and take on challenges proactively and take swift actions rather than lagging behind changes and remain a company that continues to be needed in the future.

The OHARA AWARD, which we launched in 2022, is an award system aimed at encouraging activities that take on challenges and accelerating initiatives towards realizing the Long-Term Vision 2035. Employees who take on challenging activities in their daily work apply for the award themselves, and outstanding activities are recognized from among them.

Furthermore, OHARA's personnel evaluation system has been revised as of FY 2024. We have established a Management by Challenge Objectives System to assesses employees in terms of how they show initiative and challenge themselves.

As we look toward the 100th anniversary of our founding and beyond, we will promote activities to "initiate a continuous cycle of challenge," which is part of the OHARA Group's culture, in our aim for sustainable growth.

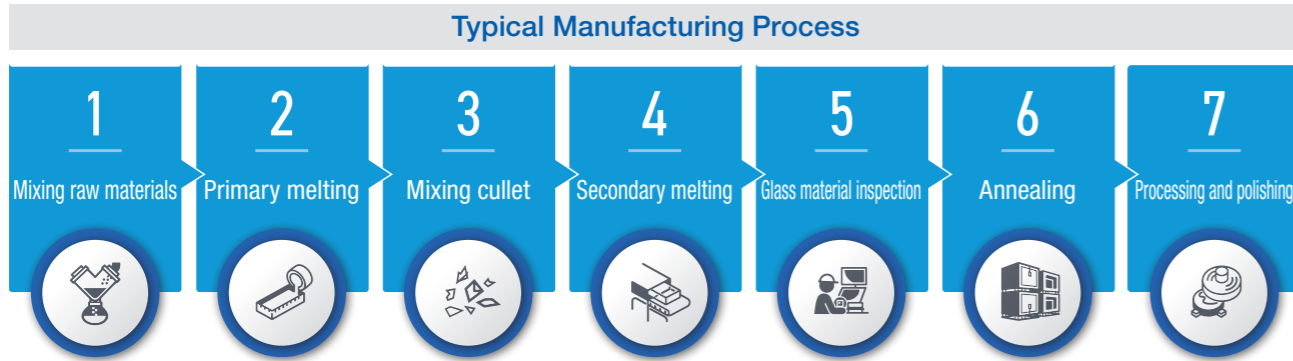


OHARA AWARD ceremony

OHARA's Manufacturing Processes That Contribute to Value Creation

Optical Glass Manufacturing Process

OHARA accurately identifies market needs and has built a system that reliably delivers the quality our customers require—from raw material design to melting, processing, and shipping. We provide high quality optical glass, supported by exceptional technological capabilities and proven reliability, to customers worldwide.



Primary melting

This process involves melting raw materials to produce cullet (glass fragments). Precisely blended, high-purity raw materials are melted at high temperatures under strict temperature control. The resulting cullet is subjected to precision measurement for refractive index in preparation for the secondary melting process. The quality of cullet produced in this primary melting stage forms the foundation of high-quality optical glass.



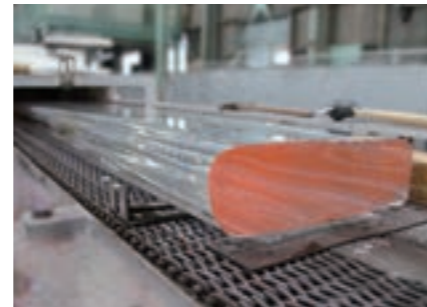
Casting of molten glass

Secondary melting

The two-stage melting process enhances the refractive index accuracy and produces highly homogenous optical glass. Multiple cullet batches produced in the primary melting stage are blended according to their refractive indices and then remelted to achieve precise control of the refractive index.



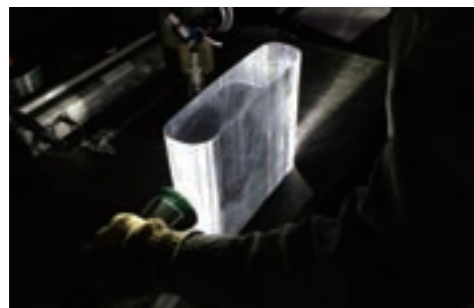
Cullet



Glass molded into a block

Glass material inspection

The molded glass is inspected to confirm that it meets quality standards. OHARA has introduced an inspector certification system, under which personnel with specialized knowledge and expertise conduct inspections to ensure a consistent supply of high-quality products.



Glass inspection

Annealing (heat treatment)

Annealing is a heat treatment process that removes internal distortions in optical glass to adjust properties such as refractive index and dispersion. For each type of glass, we design an optimal heat treatment program and maintain strict temperature control. This is a crucial process for ensuring the stable supply of high-quality products.



Electric furnace for annealing

Manufacturing and Quality Assurance of High Value-added Products

i-Line High Homogeneity Glass

i-line high homogeneity glass is optical glass with excellent internal transmittance and optical homogeneity and is used for lenses for semiconductor exposure equipment and high-precision inspection devices where homogeneity of the refractive index is crucial.

To manufacture high homogeneity optical glass with a uniform refractive index, we precisely control factors affecting the refractive index value, from cullet mixing to secondary melting, molding, and annealing. Furthermore, we ensure exceptionally reliable quality assurance by measuring refractive index homogeneity with high precision under controlled conditions.

By leveraging advanced manufacturing technologies and measurement technologies, we deliver high-performance, high-quality products that meet the needs of the semiconductor market.



Molded i-line high homogeneity glass

CLEARCERAM™-Z

Ultra-low expansion glass-ceramics (CLEARCERAM™-Z) are used in structural components of semiconductor exposure equipment, flat panel display (FPD) exposure equipment, and as mirror materials in satellites and high-powered astronomical telescopes.

Manufactured in dedicated melting furnaces, CLEARCERAM™-Z undergoes slow cooling and crystallization under strict temperature control, with quality and appearance inspections and measurements conducted at each stage of the process. By leveraging advanced manufacturing technologies and measurement technologies, we guarantee excellent ultra-low expansion properties. Through rigorous quality control, CLEARCERAM™-Z contributes to cutting-edge fields requiring nano-level precision.



CLEARCERAM™-Z shipment inspection

LICG™

Lithium-ion conductive glass-ceramics (LICG™) are expected to contribute to the enhanced performance of lithium-ion batteries as well as the development of next-generation battery materials, including solid-state batteries.

LICG™PW-01 is OHARA's first powdered product, with a particle size of 0.4 micrometer^{*1}. It is manufactured through melting, crystallization, and pulverization processes. LICG™SP-01, an oxide-based solid electrolyte material, is a sintered product manufactured using sheet formation in a cleanroom and heat treatment with high-precision temperature control. Both products are verified for lithium-ion conductivity using dedicated measuring equipment, ensuring high-performance materials that contribute to improved lithium-ion battery performance.

Going forward, we aim to expand our business scale through further investment in manufacturing facilities.

*1 Micrometer = one-thousandth of a millimeter



LICG™SP-01 product inspection

Aspherical Lenses (Glass Mold Lenses)

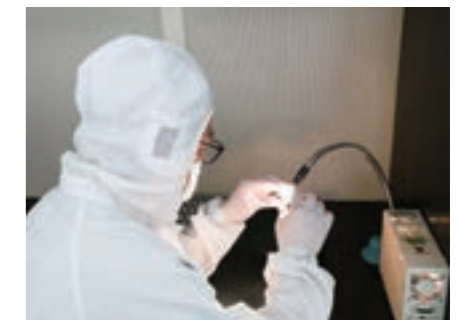
Aspherical lenses, which optimally correct optical aberrations^{*2}, contribute to shorter overall lens length and reduced weight. In 2018, OHARA constructed a factory in Sagamihara dedicated to aspherical lenses. Using high-precision molds, polished glass materials (polished preforms) are heated and press-molded to produce high-quality, high-precision aspherical lenses.

The molds, which directly determine the shape accuracy of aspherical lenses, are manufactured with control down to 1 nanometer^{*3}. Dedicated measurement equipment is used to ensure the shape precision of the aspherical lenses. Furthermore, the entire manufacturing process, from material loading to lens retrieval, is automated in a clean environment. This prevents contamination by foreign particles that can cause defects and ensures consistently high product quality.

Our high-precision aspherical lenses, produced with advanced manufacturing technology, contribute to customers' optimal optical designs.

*2 Refers to the deviation from ideal imaging that occurs when light passing through a lens does not converge at a single point.

*3 Nanometer = one-millionth of a millimeter



Aspherical lens post-molding inspection

OHARA's Six Types of Capital

The OHARA Group will implement its Value Creation Model to realize further corporate value creation, driven by the core organizational capabilities and core processes that are the Group's strengths, as well as by its six types of capital: financial capital, social capital, natural capital, manufacturing capital, intellectual capital, and human capital.

1 Financial Capital



Initiatives to Improve Profitability

Strengthen existing businesses

- Expand the supply capacity of high homogeneity glass and quartz glass for semiconductor exposure equipment, and strengthen sales expansion activities

Launch new businesses

- Prototype evaluations of additives for liquid lithium-ion batteries by customers are progressing; build production systems and sales formations for mass production
- Accelerate development activities for glass materials for AR glasses, and release products with competitive advantages

Initiatives to Improve Asset Efficiency

Improve profitability through business structural reforms in the Optical business

- Promote productivity improvements and cost reduction activities through the reorganization of production items among production sites
- Proceed with restructuring of the supply chain and strengthen supply formations and sales formations for high value-added products

Dividend Policy

Strengthen stable and continuous shareholder returns

- Return profits to shareholders in a stable, continuous manner, while also accumulating the necessary internal reserves for strengthening management foundations and future business expansion
- Based on a total return ratio of 30% or higher on a consolidated basis, pay dividends according to our business performance, taking into account the dividend on equity ratio on a consolidated basis

2 Social Capital



Identify and Secure Customer Needs

Product-based approach leading to outstanding materials that exceed expectations and facilitate our customers' success

- Identify customers' demands as soon as possible through close contact with our customers, technical exchanges, and in-house designs
- Strengthen cross-departmental sales activities by sales, product development, and manufacturing technology divisions
- Pursue the value of OHARA's materials to the fullest extent and secure customer needs by handling early prototype production

Value Co-creation Through Three-way Partnerships

Expand supply chains and business networks by means of value co-creation through three-way partnerships

- Using customer needs as a steppingstone to value co-creation, work closely with customers to identify their needs and proactively propose solutions to improve our value co-creation capabilities
- Utilize OHARA's connections with numerous customers and processing manufacturers, which are its intangible assets, to expand the range of products we handle and increase added value
- Release products with competitive advantage through joint development with other companies through business alliances
- Strengthen collaboration with partners who contribute to the development of cutting-edge technology in fields such as semiconductors and next-generation batteries

Strengthen Expansion into Global Markets

Work together as a Group to develop new overseas markets with the aim of achieving an overseas sales ratio of 55.5%

- Strengthen overseas sales channels to target new untapped markets
- Collaborate with overseas subsidiaries by holding Group Management Strategy Meetings and OHARA Summits
- Consider geopolitical risks when expanding overseas bases

3 Natural Capital



Reduce GHG Emissions

Aim to reduce CO₂ emissions by 50% by 2035 from 70,627 tons in FY 2018

- Promote the development of combustion technologies aimed at more efficient energy use
- Study alternative energy combustion technologies
- Promote the use of electricity derived from renewable energy sources
- Implement initiatives to identify important Scope 3 categories
- Develop energy and environmental engineering talent

Product development that contributes to the reduction of GHG emissions

- Promote development of recyclable glass materials
- Contribute to reducing the environmental load with products that improve the performance of lithium-ion batteries

Social Responsibility in Dealing with Chemical Substances

Social responsibility as a company that handles chemical substances

- Analyze air and water quality during product manufacturing processes, and implement appropriate treatment and management
- Identify substances contained in glass products, share this information throughout the supply chain, and provide handling guidance and advice

4 Manufacturing Capital



Production Systems that Meet Various Needs

Two-stage melting system for high-mix, high-precision, high-quality products

- Build production facilities that can supply over 150 types of high-precision products in a stable manner and with high quality

Precision control systems based on the detailed technologies and knowledge that OHARA has cultivated throughout its history

- Apply advanced thermal control technology to the melting of optical glass and special glass, the crystallization of glass ceramics, and annealing processes to achieve even more precise performance control

Glass composition development and physical property measurement technologies

- We possess the measurement technology to measure the increasingly high-performance physical properties of glass swiftly and with high precision
- We have measurement technology for over 300 items, including optical properties such as refractive index and transmittance, as well as chemical, mechanical, and thermal properties, and internal quality

Technology Supporting New Businesses

Develop new melting technology for the creation of new materials

Develop high-temperature melting technology to meet customers' product needs

- Contribute to customers' technological innovation by achieving highly challenging high-temperature production

Value Co-creation Through External Collaboration

Promote the development of new manufacturing technologies in collaboration with external partners

- Develop new markets through value co-creation with glass material manufacturers and processing companies

5 Intellectual Capital



R&D That Encourages "Challenges"

An open R&D culture that "explores the possibilities of glass" based on glass material research accumulated over many years

- Accumulate knowledge in glass material development by continually responding to the need for diverse optical glass development
- We consider "challenge" to be of the utmost importance in R&D, and promote the development of unique glass

Development Speed of New Materials

Swift development system based on the accumulated data, knowledge and experience cultivated since our founding

- Establish a system based on design reviews and ISO
- Utilize a database of tens of thousands of glass materials to rapidly develop and mass produce new materials
- Introduce Materials Informatics to accelerate development

Strengths in Material Tuning

We possess the knowledge for material tuning utilizing our material R&D capabilities

- Our development, sales, and manufacturing divisions work together to provide a one-stop service from identifying customer needs to prototyping and mass production
- Utilize past accumulated data to realize the development of glass compositions that quickly reflect customer needs

Support Business Activities Through the Utilization of Intellectual Property Information

Build a patent portfolio and promote strategic intellectual property activities

- Contribute to the creation of new businesses and the deepening of existing businesses through the utilization of intellectual property information
- Support the formulation of development and sales policies through the utilization of IP landscapes

6 Human Capital



Cultivating a Corporate Culture That Encourages Employees to Take on Challenges

Develop talent that takes on challenges and embody OHARA's value creation model

- In addition to formulating a "challenge-based objectives" system and assessing the challenges themselves, we have created the OHARA AWARD to recognize efforts to take on challenges throughout the Group
- Support employees' independent career plans, and promote growth and the taking on of challenges by providing reskilling tools and experience opportunities

Talent Recruitment and Development

Recruit and develop exceptional talent who will lead the future of the OHARA Group

- Strengthen collaboration with universities and technical colleges to acquire exceptional developers and engineers
- Development to realize employees' design of their own career plan

Global talent recruitment and development

- Actively recruit foreign nationals at our head office, and develop employees who will be active on overseas bases in the future

Create a Company Where Diverse Human Resources Play Active Roles

Promote women, mid-career hires, and foreign nationals to managerial positions

- Promote the active participation of diverse talents who bring new value to the organization
- Female representation in management: 14.6%
- Foreign nationals serve as the local heads of four of the OHARA Group's seven overseas sites
- Representation of mid-career hires in management: 39.0%

Improve Employee Engagement

Cultivate a sense of job satisfaction and promote initiatives with respect for employee autonomy

- Conduct employee engagement surveys

Long-Term Vision 2035



Founded in 1935, OHARA will celebrate the 100th anniversary of its founding in 2035. Global conditions are changing at an accelerating pace, making this an era where we face difficulties in foreseeing the future business environment. To become a 100-year-old company depended on by society in the years to come, we formulated the Long-Term Vision 2035 and started putting it into action, aiming to become a company that can change proactively and take swift actions.

Realizing the Corporate Message with the Value Creation Model

The OHARA Group created the Corporate Message in FY 2020 to clarify its future path and vision. Our initiatives towards becoming a company that brings about “The Future Made Clear,” the brand slogan set forth in the Corporate Message, have been summarized in OHARA’s value creation model.

The Long-Term Vision 2035 is about realizing the Corporate Message by implementing the value creation model. We believe that the achievement of the Long-Term Vision 2035 is itself the achievement of sustainable growth and the realization of sustainability of the OHARA Group.

Management Policy under Long-Term Vision 2035

Under the Long-Term Vision 2035, we aim to improve our corporate value from a medium- to long-term perspective by strengthening our management base through the structural reforms of existing businesses and creation of new businesses, based on the following management policy and on the financial indicators presented later.

Contribute to optics technology (deepen existing businesses)

Contribute to technological innovation in the optical technology field that is expected to grow to build a strong earnings base

Develop new businesses through value co-creation (explore new businesses)

Accelerate efforts to develop new businesses through value co-creation with customers and processing manufacturers

Diversify the business mix and increase resilience to downward pressures on business performance to realize sustainable growth

Increase value creativity, efficiency, and profitability (strengthen management foundations)

Improve value creativity by diversifying human resources and fostering a challenge culture
Strengthen financial management that supports growth and improve capital efficiency and profitability

Concept behind Financial Indicators and Business Mix

The OHARA Group’s business mix and resource allocation will be optimized based on a medium- to long-term perspective, considering factors such as consistency with the long-term vision, competitive advantage, capital efficiency, and profitability for sustainable growth.

Under the Long-Term Vision 2035, ROE will be used as a financial indicator. We aim to achieve ROE of 8.0% or higher by improving efficiency and profitability.

Progress of Medium-Term Management Plan Phase 2

OHARA’s Medium-Term Management Plan is being implemented in five three-year phases, from FY 2021 to FY 2035, which is the final year of Long-Term Vision 2035. FY 2026 is the final year of Medium-Term Management Plan Phase 2, which we have been implementing since FY 2024.

Progress of the Medium-Term Management Plan

We have been working to promote our business strategies based on Phase 2 of the three-year Medium-Term Management Plan, the final year of which is FY 2026. However, in FY 2026, the business environment diverged significantly from the assumptions made at the time the plan was formulated. This was due to factors such as prolonged inventory adjustments to products for semiconductor exposure equipment and delays in launching new businesses caused by changes in demand for mass production and supply of the company’s related products in the lithium-ion battery market, which is the target market for our new businesses.

Under these circumstances, we continue to face challenges in improving our profitability, and achieving the financial targets set forth in the Medium Term Management Plan is expected to be difficult.

Progress of Medium-Term Management Plan Phase 2 Compared with Numerical Targets

(millions of yen, %)

	FY 2024 Results	FY 2025 Results	FY 2026 Full-year Forecast	FY 2026 Medium-Term Management Plan
Net sales	27,909	28,895	28,900	32,000
Operating income	2,177	1,794	1,100	3,700
ROE	3.2%	3.4%	—	6.5%

Expected shortfall in achieving financial targets

Nevertheless, as the business strategies outlined in our current Medium-Term Management Plan are crucial measures for achieving the company’s sustainable growth, we will continue to steadily promote them.

Initiatives to Address Challenges in the Optical Business

Improve profitability through business structural reforms

We will improve productivity by reorganizing our optical glass production bases and will promote cost reduction activities to ensure appropriate profits. Furthermore, we will strengthen our supply formations and sales formations for high-value-added lens processed products by building a supply chain in Southeast Asia.

Launch new businesses

In the growing XR market, we will collaborate with our capital and business partners to develop glass materials

compatible with display modules for AR glasses. We will also aim to contribute to our business performance by launching new products that meet customer needs.

Address rare earth procurement risks

To secure the procurement of rare earth raw materials, we will strengthen communication with suppliers and other partners. At the same time, for rare earth raw materials subject to procurement risks, we will advance research into new optical glass that is rare-earth-free or contains reduced amounts of rare earths.

Initiatives to Address Challenges in the Electronics Business

Strengthen existing businesses

To meet the medium- to long-term increase in demand in the semiconductor market, we will continue to expand production facilities for materials used in semiconductor exposure equipment.

Although we have been increasing production capacity for i-line high homogeneity optical glass since FY 2023, from FY 2026 we will expand production facilities for quartz glass melting and processing operations. In addition, we will strengthen our sales formations at overseas bases to expand sales in the Asia region and Europe.

Launch new businesses

Lithium-ion conductive glass-ceramics (LICGC™) boast top class ion conductivity among oxide-based solid electrolyte materials, and high levels of chemical stability and water resistance. The company offers a product lineup that includes LICGC™PW-01, which contributes to improved battery

performance as an additive for liquid lithium-ion batteries, and LICGC™SP-01, which is expected to play a role as a next-generation battery material.

For LICGC™PW-01, we will establish a new production line and work to expand its adoption by battery manufacturers both in Japan and overseas. For LICGC™SP-01, we aim to capture new demand by establishing mass-production technology and increasing production capacity.

Low-dielectric glass for electronic substrates is seeing increasing demand as a glass cloth material for printed circuit boards, driven by the expansion of the AI server market. At our factory in Taiwan, we are currently setting up a dedicated melting furnace for low-dielectric glass for electronic substrates, with a contribution to sales expected in FY 2026. Our aim is to improve asset efficiency at the Taiwan factory and expand sales by converting existing optical glass production facilities to low-dielectric glass production facilities.

Initiatives to Address Social Issues and Environmental Issues

The OHARA Group recognizes climate change as a key issue in achieving a sustainable society and will promote the reduction of greenhouse gas (GHG). Through energy-saving initiatives in all aspects of our corporate activities, the use of carbon-free electricity, and innovations in melting technology in glass

manufacturing, we aim to reduce GHG emissions by 50% by FY 2035, with FY 2018 as the base year. In addition to achieving this reduction target, we will contribute to GHG emission reductions through the development of environmentally friendly products, such as materials for solid-state batteries.





OHARA Group's Materiality

Looking ahead to the 100th anniversary of our founding in 2035, we formulated our Long-Term Vision 2035, which aims to realize the future and the society that we envision, as outlined in the OHARA Group's Corporate Message, and launched it in FY 2022. Now, having reached the 90th anniversary of our founding, we have identified the social issues and management issues that the OHARA Group should address as materiality issues, starting from the "key issues" set forth in our Long-Term Vision 2035.

OHARA Group's Materiality

The OHARA Group's materiality consists of four categories, namely three market and technology categories that the Group focuses on: "Quality of life," "Industry and infrastructure," and "Environment and energy," and "Strengthening of governance." Within these categories, we believe that continuing initiatives to enhance corporate value through the

structural reforms of existing businesses and creation of new businesses, along with efforts to strengthen governance that supports these initiatives, will lead to our materiality initiatives and form the foundation for the growth of the OHARA Group as outlined in our Long-Term Vision 2035.

Category	Materiality	Key action
 Quality of life	Realize a safe and secure society	Provide materials for state-of-the-art technologies that realize advanced information terminals Provide materials to realize advanced driver-assisted systems (ADAS)
	Contribute to healthy living	Provide materials for state-of-the-art technologies that realize advanced medical services
 Industry and infrastructure	Contribute to optical technology	Provide materials for high-precision sensing technology
	Contribute to semiconductor manufacturing technology	Provide materials for state-of-the-art semiconductor manufacturing technology
	Contribute to the utilization of space development	Contribute to technological developments for the development and utilization of outer space Technological contributions in the field of astronomy research
	Provide the stable supply of high-quality materials	Provide the stable supply of the highest quality materials in the industry
 Environment and energy	Develop products that contribute to solving environmental issues	Develop technologies to reduce, utilize, capture, and decompose CO ₂ Provide materials to enhance the performance of LIB* and realize solid-state batteries
	Co-exist with the natural environment and reduce the environmental load	Reduce and reuse waste glass, and engage in energy-saving and resource-conservation activities Reduce greenhouse gas (GHG) emissions at factories and in transportation
 Strengthening of governance	Ensure active participation of diverse human resources	Enhance value creation through the synergic effects of diversity
	Create a company that provides job satisfaction	Improve the working environment, and improve productivity and motivation
	Promote supply chain management	Develop raw material procurement routes Implement responsible mineral sourcing

* LIB: Lithium-ion battery

Specific Processes

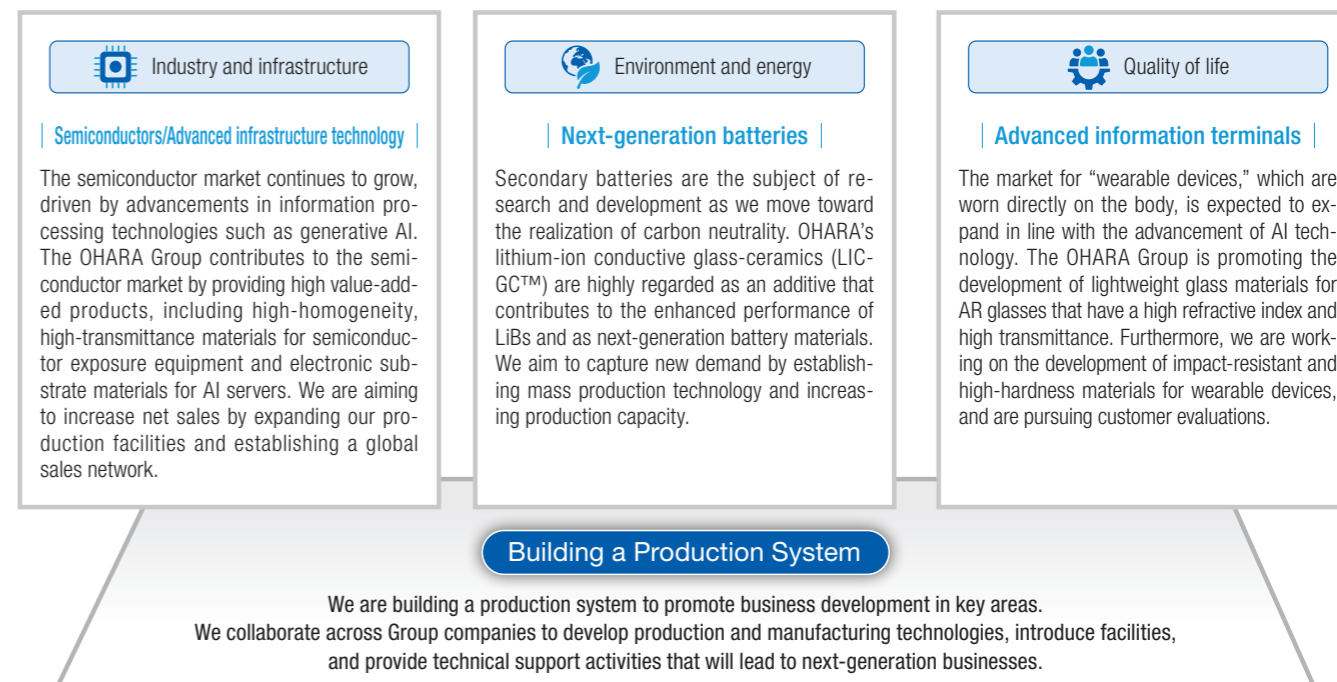
In identifying materiality, we first used the "key issues" set forth in our Long-Term Vision 2035 as a starting point and reexamined these issues considering the environmental changes that have occurred in recent years. Based on the results of this review, we proceeded with deliberations at the Sustainability Committee while communicating with stakeholders. The

Sustainability Committee examined important social and management issues that the Group aims to resolve while leveraging its strengths, considering both opportunities and risks, and identified them as materiality issues highly relevant to the Group.

Key Areas of Activity

The OHARA Group aims to realize the society and the future that OHARA desires: "a secure and healthy life," "a society that cultivates creativity and aspirations," and the "sustainable well-being of our planet" through sustainable business activities that leverage the Group's strengths. To achieve this, we will introduce our key activities related to the materiality categories of "Quality of life," "Industry and infrastructure," and "Environment and energy."

OHARA Group's Key Areas of Activity



TOPICS

Meeting growing demand in the AI server market

—Low-dielectric glass for electronic substrates—

The proliferation of generative AI is driving increased demand for electronic substrates used in AI servers. In particular, there is growing demand for electronic substrates using low-dielectric glass (glass that is resistant to electrical signal attenuation) to reduce transmission losses during electric signal transmission.

Leveraging our strengths in melting technology and property control technology cultivated through optical and special glass manufacturing, the OHARA Group applied its existing expertise to develop new technologies and commenced full-scale mass production and sales of low-dielectric glass in FY 2025. We are currently working to expand production capacity through the introduction of new melting facilities to secure supply volumes that meet customer demand.

Going forward, low-dielectric glass is expected to achieve advanced functionalities such as low expansion and durability. By building on the technologies we have developed since our founding, we will advance the development of highly competitive products and expand production capacity, aiming for further growth of this business as a new pillar of the OHARA Group.



TOPICS

Aiming for a further contribution to the semiconductor market

—Synthetic quartz glass—

Demand for the OHARA Group's synthetic quartz glass is expanding primarily in the semiconductor market. In FY 2025, strong sales of semiconductor photomask substrates and exposure-related equipment contributed to the increased profitability of synthetic quartz glass products.

Going forward, the spread of AI technology and increased investment in data centers are expected to drive demand for high-performance semiconductors, leading to further growth in demand for quartz glass, an essential material for semiconductor manufacturing. In response, the OHARA Group is strengthening technical exchanges and sales collaborations among Group companies in Japan and overseas, expanding its sales network, and promoting the further acquisition of new customers. Furthermore, to enhance the supply of ultra-high-purity products, which are a strength of the Group's synthetic quartz glass products, we are upgrading facilities such as for heat treatment processing and improving our long-term production capacity to meet the demands of the semiconductor market.



Synthetic quartz glass

Business Overview

Overview of FY 2025

In FY 2025, the economic environment surrounding the company's business maintained a gradual recovery trend overall. In the Optical business, demand for digital cameras and interchangeable lenses in Japan and China showed signs of recovery. In the Electronics business, sales of low-dielectric glass

used in printed circuit boards for AI servers continued to perform strongly from 2024 onwards. However, the recovery in demand for memory and power semiconductors lagged, leading to inventory adjustments to products for semiconductor exposure equipment.

Optical business



Business overview

Manufacture and sale of products for optical product applications, including optical glass materials and lens materials for optical equipment

Main products

Optical glass for polished lenses, optical glass for aspherical glass models, etc.

The Optical business experienced steady demand for interchangeable lens digital cameras and interchangeable lenses in the mirrorless camera market. However, production adjustments caused by elevated inventory levels within the supply chain throughout 2024 impacted the business. In FY 2025, demand in the camera market remained strong, recovering to the level of actual demand, resulting in an increase in sales compared with FY 2024. On the other hand, operating loss

remained at a similar level to FY 2024 due to rising raw material prices, changes in product mix, expenses related to addressing rare earth procurement risks, and increased selling, general and administrative expenses.

FY 2025 ended with net sales of 15,310 million yen (up by 9.8% from FY 2024) and an operating loss of 799 million yen (the same level as FY 2024).

Electronics business



Business overview

Manufacture and sale of products for electronics applications, including high homogeneity glass for semiconductor exposure equipment, ultra-low expansion glass-ceramics, and quartz glass

Main products

i-line high homogeneity glass, CLEARCERAM™-Z, synthetic quartz glass, NANOCERAM™, LICGC™, etc.

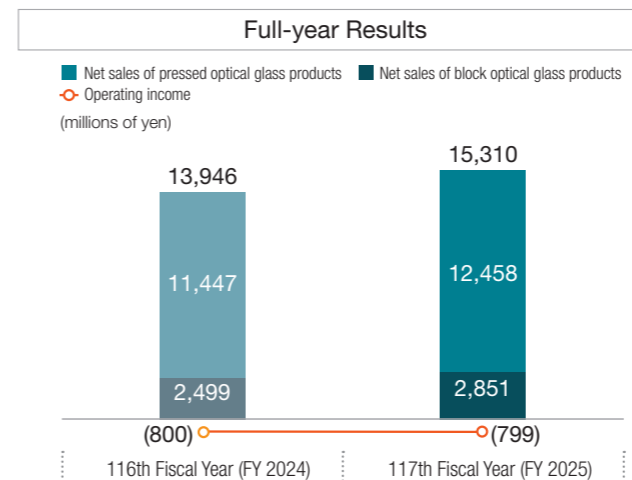
In the Electronics business, despite a thriving semiconductor market, sales of semiconductor exposure equipment decreased due to inventory adjustments driven by rising geopolitical risks, including U.S. reciprocal tariff policies and export restrictions. Quartz glass performed well due to increased sales for FPD exposure equipment and price revisions. However, operating

income decreased compared with FY 2024 due to a drop in the utilization rate of production facilities as a result of inventory adjustments and changes in product mix.

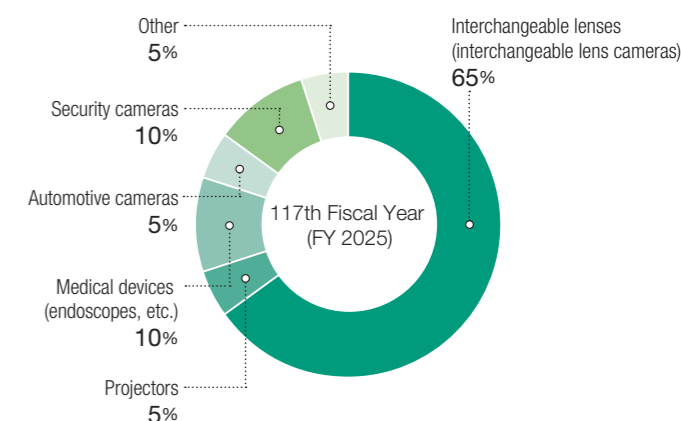
FY 2025 ended with net sales of 13,585 million yen (down by 2.7% from FY 2024) and operating income of 2,593 million yen (down by 12.9% from FY 2024).

Financial Summary

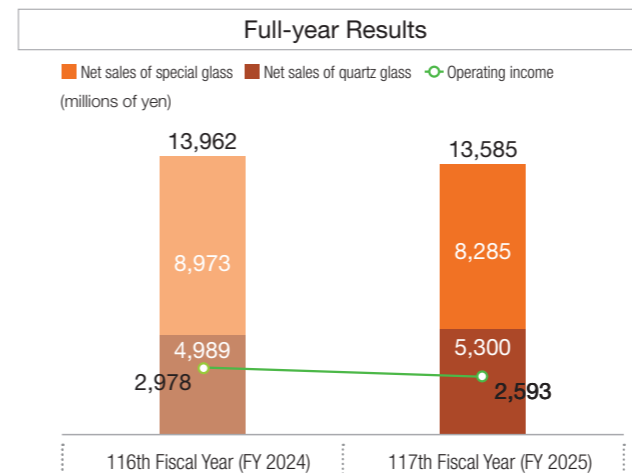
Optical business



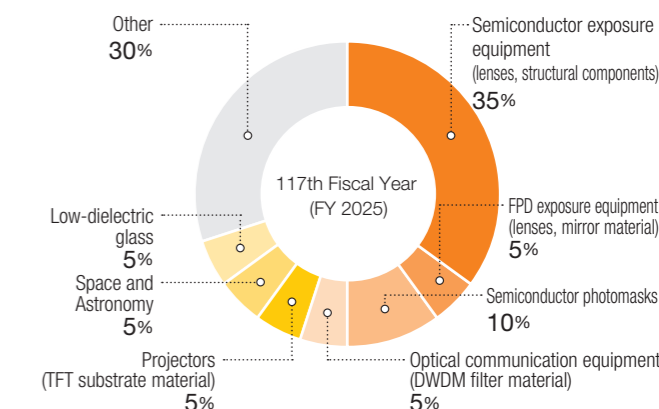
Net sales composition by application



Electronics business



Net sales composition by application



Future Initiatives

In the Optical business, we have identified improving profitability through business structural reforms as a key issue. Specifically, we will improve productivity by reorganizing our optical glass production bases and will steadily promote cost reduction activities to ensure appropriate profits. Furthermore, we aim to further strengthen our supply formations and sales formations for high-value-added lens processed products by building a supply chain in the Southeast Asia region. In order to create new businesses, we will actively promote the development of new glass materials tailored to the needs of markets that are expected to expand in the future, including the imaging sector where demand for high precision and high performance is accelerating, the mobility and medical sector, which is experiencing marked growth and technological innovation, and the cross-reality (XR) sector, which is the focus of high expectations as a new market. Furthermore, we will strive to build a distribution network that contributes to solving our customers' diverse challenges by strengthening collaboration with optical parts

manufacturers in Japan and overseas, and expanding our sales formations for spherical lenses, aspherical lenses, and other optical parts. Going forward, we will continue to respond to the needs of markets and customers and offer outstanding materials that will help cultivate a safe and secure society and contribute to healthy living.

In the Electronics business, we will continue to target the growing semiconductor market, expanding our supply capacity to meet the demand for quartz glass, and strengthening sales. In addition, we will strengthen our sales formations in Asia and Europe to achieve overall sales expansion. Furthermore, in the mid- to long-term, we are actively working to create new businesses that will become pillars of the next generation and are already seeing specific results such as the adoption of products developed using our special glass melting and processing technologies as components for electronic substrates. We will accurately identify market and customer needs, and supply customers with these materials to support customers' success.

Research & Development and Intellectual Property

In order to realize “a secure and healthy life,” “a society that cultivates creativity and aspirations,” and the “sustainable well-being of our planet” as set forth in the Long-Term Vision 2035, we will promote the development of new next-generation products and strengthen existing products by further deepening the technologies we have cultivated and evolving our core technologies.

Research & Development

Basic Views

The OHARA Group positions material R&D as one of its cores organizational capabilities and has developed unique optical glass and glass ceramics under an open research culture that “explores the possibilities of glass.” We also recognize the importance of developing seeds that will serve as the beginning of future technological innovation and aim for development that achieves a balance between needs and seeds.

Based on the knowledge that we have cultivated through many years of glass materials research and a culture of promoting development based on free thinking, we develop materials that contribute to various fields, including optics, electronics, the environment, and energy, through value co-creation with our customers, thereby contributing to the business growth of the OHARA Group.


Continue to pursue the potential of technology

OHARA's technological capabilities


- Optical glass
- Glass ceramics
- Optical glass melting and processing
- Measurement, evaluation, and analysis
- Powdering

Elevation of lifestyles and cultures

- Advanced information terminals
- In-vehicle technology
- Medical technology




LIDAR



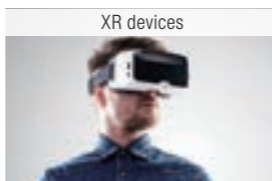
Smartphones

Advancement of new frontiers

- Semiconductor manufacturing technology
- Advanced infrastructure technology
- Space development




Semiconductor exposure equipment




XR devices

Improvement of the global environment

- Reduction of greenhouse gas (GHG)
- Low-energy melting technology
- Next-generation batteries



New melting and heating technology



Lithium-ion batteries

Promotion System

Since the company's founding in 1935, we have had an independent R&D division and have built a database of tens of thousands of glass materials and a system for swiftly developing new materials, from prototyping to mass production. In addition, we have set out a wide range of development themes, from glass composition development to manufacturing technology, and our development, sales, and manufacturing

technology divisions work together to rapidly propose and supply new glass materials. In recent years, the speed of technological innovation has been remarkable, creating demand for new glass development with a view to the future. To address this issue, we have introduced Materials Informatics (MI) and the digital transformation (DX) of our manufacturing processes and are also working to develop digital talent.

R&D Activities

OHARA is promoting the exploration of development themes with a view to the future. Through initiatives such as Exploration Theme Exchanges and the application of IP landscaping that leverages intellectual property information, we are examining new possibilities for glass development that capitalize on the company's strengths. In addition, in response to social issues such as environmental issues and GHG reductions, we are

working jointly with universities and related companies to develop glass recycling technology and low-energy, highly efficient glass melting technology. By presenting the results of our research through academic conferences, co-authored papers, joint patent application filings, and the like, we are contributing to the advancement of glass development and manufacturing technology and returning value to society.

Intellectual Property

Basic Views

With the mission of “supporting OHARA's business activities,” we are building a patent portfolio and promoting strategic intellectual property activities. By utilizing intellectual property and

intangible assets as management resources, we are contributing to improving the value creativity and profitability of the OHARA Group.

Management Policy under Long-Term Vision 2035	Medium-Term Management Plan Phase 2 Themes	FY 2026 Targets
Increase value creativity, efficiency, and profitability	Improvement of profitability	Collaborate with R&D Department and business divisions to utilize intellectual property information analysis to support the creation and early launch of new businesses
	Improvement of asset efficiency	Strengthen the OHARA brand power and proactively utilize trademarks
	Promotion of ESG management (human capital)	Number of new inventor awards and special awards Total: 1.5-fold compared with 2023

Promotion System

OHARA has established the intellectual property division directly under the Research and Development Center and has established a system in which executive officers supervise both the R&D division and the intellectual property division. Collaboration between the R&D division and the intellectual property division from the early stages of development has led to the strategic

acquisition of intellectual property rights. In addition, by providing business divisions with intellectual property information related to business and management strategies, we contribute to the creation of new businesses and the deepening of existing technologies.

Intellectual Property Activities


Based on our intellectual property strategies, we provide support for patent applications, rights acquisitions, intellectual property rights management, and infringement prevention investigations. As of October 2025, OHARA holds 356 domestic patents and 239 overseas patents. The OHARA Group has established a wide-reaching invention reward system with the aim of securing outstanding R&D talent and promoting the motivation for technological development. In addition to performance-based compensation, since FY 2021 we have been implementing a new inventor reward system and a special reward system for all departments. As a result of these initiatives, the number of awards given to new inventors and the number of special awards as of October 2025 increased more than 1.5-fold compared to 2023. Going forward, we will continue to contribute to the creation of long-term corporate value through well-developed programs.

growth areas. By systematically organizing internal information and fostering a shared understanding among experts, we are building a strategic foundation for solving challenges. Based on the results of these analyses, we promoted the securing and effective utilization of intellectual property rights in line with our business strategies.

Furthermore, since 2023, we have been utilizing IP landscaping to support the identification of market opportunities aligned with business strategies and the formulation of action plans in

Going forward, we will expand the scope of these initiatives to include not only the R&D Department and business divisions but also other departments within the company.

Number of patents held



Domestic 356

Overseas 239

As of October 2025

OHARA Group's Sustainability

The OHARA Group focuses on its Long-Term Vision 2035 (the fulfillment of the Corporate Message through the implementation of the value creation model). Based on this idea, the Group formulated the Basic Policy for Sustainability to enhance corporate value from a medium- to long-term perspective and contribute to the sustainable development of society.

Basic Policy for Sustainability

Based on the Management Philosophy and Corporate Message, the OHARA Group will contribute to the sustainable development of society by creating outstanding materials that exceed expectations.

This leads to realizing a better society, and opening up the future through collaboration and co-creation rooted in trusting relationships with stakeholders.

OHARA Group's Sustainability Efforts

The OHARA Group is engaged in sustainability activities based on the three pillars: resolving environmental and social issues through corporate activities, building strong relationships with stakeholders, complying with laws and regulations and respecting human rights.



Sustainability Governance

The OHARA Group, recognizing the need to act on sustainability issues, has established the Sustainability Committee. Chaired by the Chief Executive Officer, the Committee discusses policies and measures for the Group's medium- to long-term sustainability initiatives and makes reports and recommendations to the Management Council.

The Management Council makes decisions on sustainability policies and specific initiatives based on those reports and recommendations, and reports to the Board of Directors. The Board of Directors discusses and decides important matters concerning sustainability and supervises the sustainability initiatives.

Social Initiatives through Corporate Activities

Initiatives to Preserve the Global Environment

The OHARA Group has set one of its top management priorities as caring for the irreplaceable Earth, in other words, harmony with the global environment. The Group as a whole is working together with its business partners on environmental activities

aimed at preserving the global environment to protect the well-being of our planet, with the aim of realizing a sustainable society.

Initiatives to Counter Climate Change

Basic views

The OHARA Group discusses climate change-related effects such as global warming and increased frequency of natural disasters, energy issues, and other environmental concerns, and works as one to address these challenges. In particular, we recognize the global warming phenomenon as a key issue with regard to climate change. The volume of greenhouse gas (GHG) emissions during the glass melting process, which consumes a large volume of energy in the production process, is an issue when it comes to preserving the global environment. In response to this issue, the OHARA Group is working on measures to counter climate change centered on the reduction of GHG emissions from three perspectives: environment, social, and governance.

1 Environment

To help protect the global environment, we are utilizing renewable energy and developing new melting methods as well as new materials that are environmentally friendly.

2 Social

Global climate change has started to dramatically affect our daily lives and the activities of companies. We are pursuing sustainability management while also seeking to harmonize our activities.

3 Governance

We monitor the Group's implementation of climate change initiatives.

OHARA's Global Environmental Preservation (GHG Reduction) Global Environment Conservation

ESG contributions through the establishment of an environmental management system (EMS)



Metrics and targets

The OHARA Group has established and regularly monitors metrics for evaluating the effectiveness of its actions regarding the global climate change risks and opportunities it has identified.

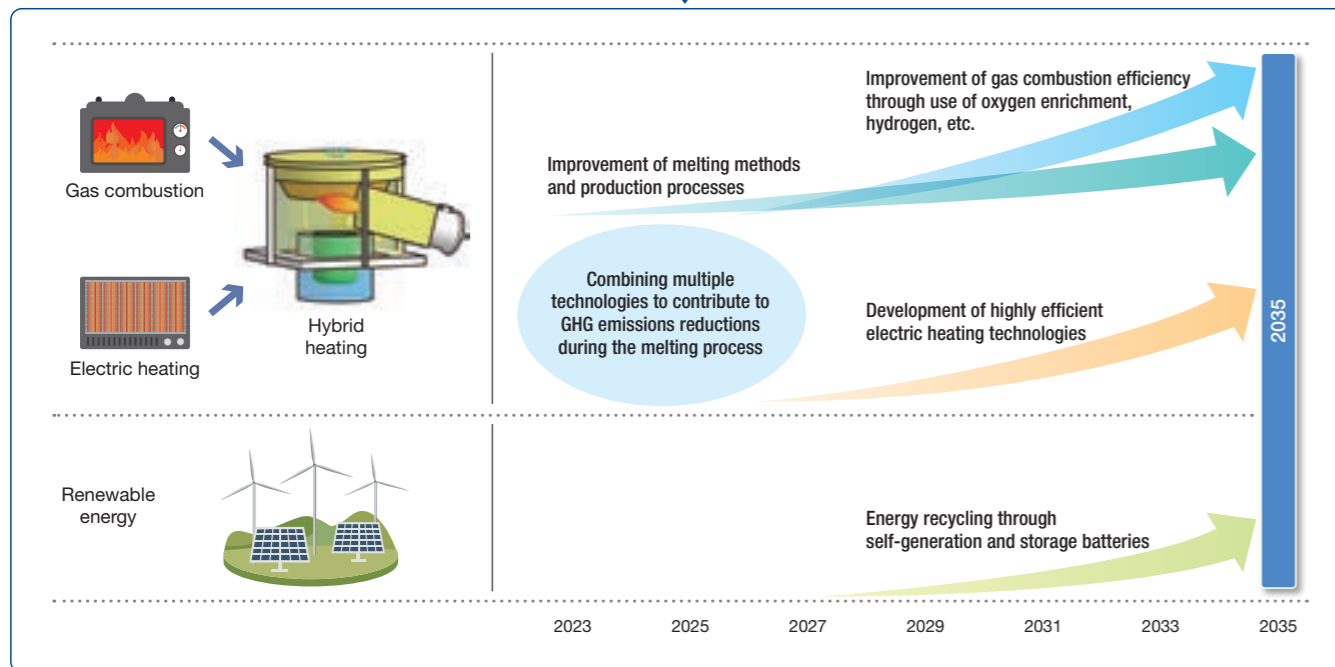
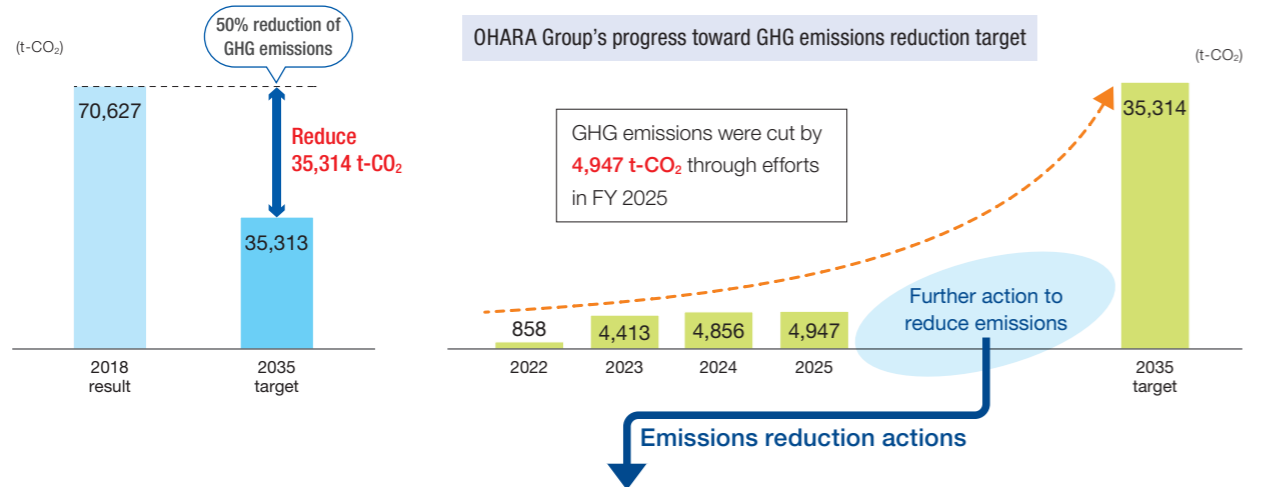
As a step toward achieving carbon neutrality, we are working to reduce our GHG emissions generated mainly in the energy-intensive glass melting processes. In order to realize the Long-Term Vision 2035 and our Environmental Policy of maintaining the sustainable wellbeing of our planet, we will lower our GHG emissions by 50% (versus FY 2018) by 2035.

In addition, we recognize the enormous environmental impact of GHG emissions associated with the import/export of materials, semi-finished products, and products, as well as the use of heating equipment in melting and processing processes. Accordingly, we have made Group-wide GHG emissions one of the key metrics we monitor. This includes not only Scope 1 and 2 emissions (from the use of gas and electricity), but also some Scope 3 emissions (from inter-site transport, etc.).

Initiatives in manufacturing process to reduce greenhouse gas (GHG) emissions

OHARA is developing technologies for lowering GHG emissions through improved efficiency in gas combustion and melting, including technologies for oxygen-enriched combustion and thermal insulation. We are also considering possibilities for future development of combustion technologies that do not emit CO₂, such as combustion of hydrogen. With regard to electric

heating, we are utilizing melting technology with high heating efficiency accumulated over many years, as well as renewable energy with self-generation, storage batteries, and other systems, and are promoting modal shift in product transport. In order to make this a reality, we are developing human capital, including energy and environment engineers, in our aim to achieve our 2035 GHG emissions reduction targets.



Specific initiatives

- Development of energy efficiency technologies for combustion and electric power
- Switching transport equipment and company cars to electric vehicles (EVs)
- Modal shift in transportation of products and semi-finished products
- Switching electrical equipment, air conditioning, and lighting to energy-saving models
- Utilize renewable energy (installation of solar panels, etc.)



Solar panels at OHARA OPTICAL (M) SDN.BHD. (Malaysia)



Solar panels at OHARA INC.



Solar panels at OPC Corporation's Yamanashi Factory (Provided by: The Kansai Electric Power Company, Incorporated)



Solar panels at OHARA OPTICAL (ZHONGSHAN) LTD.

Obtain a Third-party Verification Statement

In order to increase the reliability of our disclosures on non-financial information such as greenhouse gas (GHG) emissions reduction efforts, we undergo third-party verification by a GHG verification organization regarding the Scope 1 and 2 emissions at OHARA Group manufacturing sites, and we disclose the results to our stakeholders. In 2025, we received verification statements for all OHARA Group manufacturing sites.

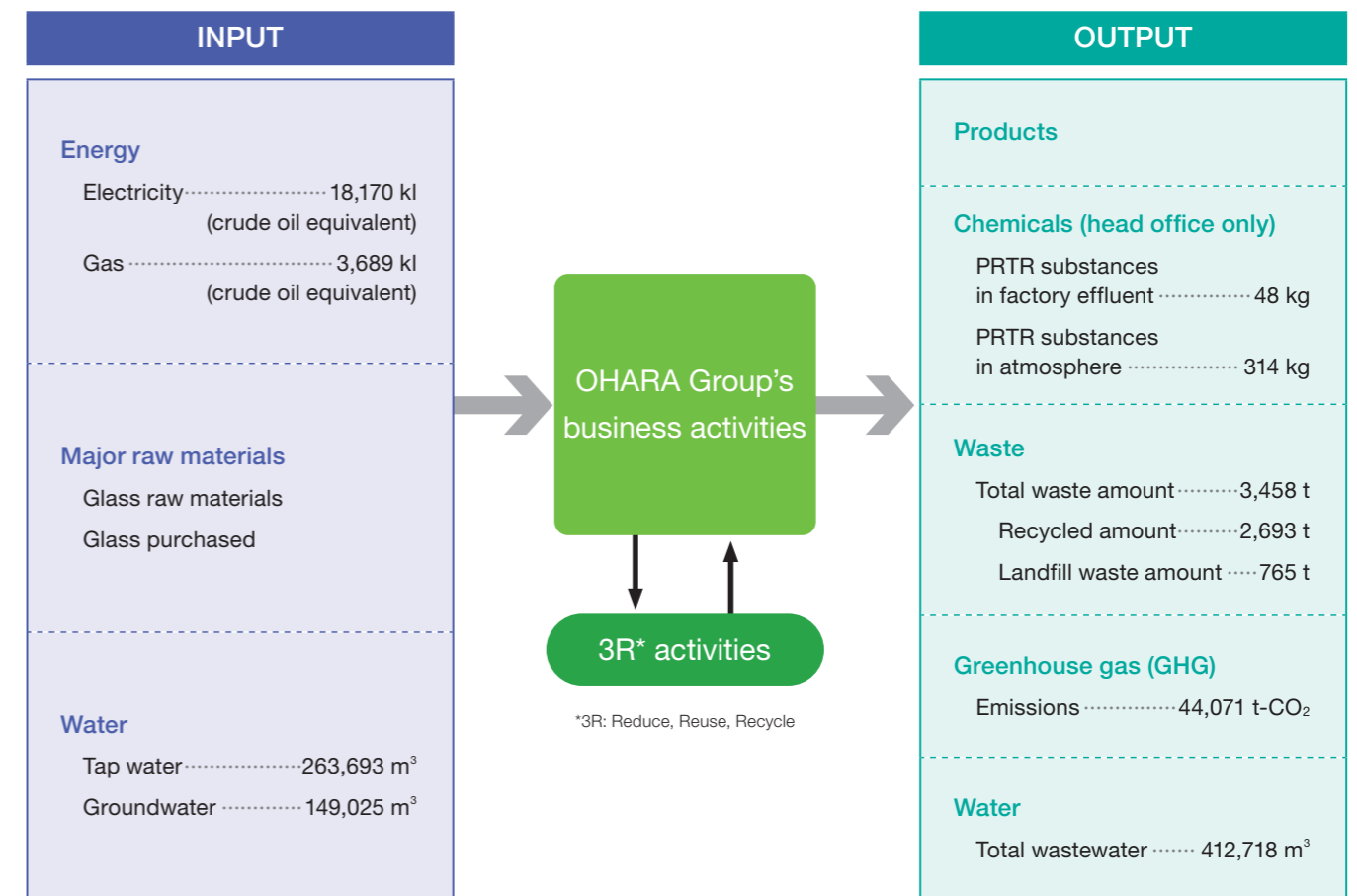


Third-party Verification Statement

Material Balance

The OHARA Group develops environmental conservation activities by quantitatively measuring the amount of energy and resources used in its business activities (INPUT), as

well as the products and environmental loads generated by those activities (OUTPUT).



Social Responsibility as a Company That Handles Chemical Substances

OHARA regularly requests third-party organizations to measure the substances contained in the wastewater and exhaust gas generated during glass manufacturing processes and appropriately treats and manages them. We also undertake our own measurements and analyses in-house by providing prompt feedback to our processes and working to protect the environment at our factories. In addition, we share information

regarding the raw materials and auxiliary materials used during manufacturing, as well as the substances contained in products released to the market with relevant stakeholders, and we provide guidance and advice on how to handle them in terms of environmental protection and occupational safety in an effort to reduce the environmental load in the supply chain.

Trusting Relationships with Stakeholders

OHARA values its day-to-day communication with customers, shareholders, investors, suppliers, employees, and community members, and accordingly strives to properly disclose

information to them. We will continue working with all our stakeholders to create new values that resolve social challenges and realize sustainable growth.

Stakeholder Engagement

Stakeholders	Means of Communication	Frequency	Stakeholders	Means of Communication	Frequency
Customers	Website	As needed	Employees	HR development programs	As needed
	Sales activities	Routinely		Internal reporting system (Helpline)	As needed
	Technical exchanges	As needed		Safety Health Committee	Monthly
	Hosting of exhibitions	As needed		Corporate newsletter	Quarterly
Shareholders & investors	General Meeting of Shareholders	Annually	Intranet	As needed	
	Financial report briefing sessions	Quarterly	Employee award programs	Quarterly	
	IR website	As needed	Employee stress checks	Annually	
	Integrated Report	Annually	Local Communities	Public openings of OHARA Rose Garden	Semiannually
Suppliers	Procurement activities	Routinely		Support for community events	As needed
	Procurement surveys/questionnaires	Annually		Community cleanups	Semiannually
Employees	KENKO Investment in Health activities	Routinely		Career days	As needed
	Labor-management consultations	As needed	Hosting Open Company Events	Semiannually	

OHARA's Quality Assurance

OHARA brings together its best technologies to provide glass materials that are the basis of key devices in all kinds of industries. As a material manufacturer that relies on the trust of customers, we strive to ensure high quality and reliability by establishing a consistent quality management system in all divisions, from product development and manufacturing to quality assurance and service. The materials used in the optical glass and electronics sectors are highly evaluated by customers both

in Japan and overseas. Recent changes in the global economy have required OHARA to also globalize its quality assurance activities, and the company is working to build an optimal supply chain. OHARA's quality assurance activities aim to deepen value co-creation with stakeholders in Japan and overseas, strengthen the quality assurance system, and build trusting relationships with customers.

Pursuit of Quality

OHARA has been working on value co-creation with stakeholders by providing products of stable quality using cutting-edge measurement and evaluation technologies in addition to technologies for product development and manufacturing of outstanding materials that other companies cannot keep up with, with a committed focus on responding to customer needs. In order to continue to deliver satisfaction to our stakeholders, we will develop evaluation equipment that incorporates technologies such as DX, AI, and similar, and strive to improve high product quality and reliability.



Refractive index homogeneity measurement

Suppliers

We strive to secure a supply chain that takes into account various risks, with consideration for market changes and the global situation. We value mutual understanding and trusting relationships with our procurement partners and require them to comply with the laws and social norms of the countries and regions in which we conduct business to pursue customer satisfaction and fulfill our social responsibility.

Procurement Methods

- 1 Sincere corporate activities
- 2 Open door procurement
- 3 Promotion of fair transactions
- 4 Procurement based on partnerships
- 5 Green procurement
- 6 Prohibition against receipt of personal gain
- 7 Securing a supply chain that takes into account diverse risks

Local Communities

OHARA strives to maintain proper corporate activities and proactively carry out social contribution activities as a "good corporate citizen," while valuing harmony with local and international communities.

We build strong trusting relationships with local communities and engage in social contribution activities so that OHARA will remain as an indispensable company for local communities 100 years from now.

Public openings of OHARA Rose Garden

The rose garden on the company's premises has been enjoyed by local residents for over 60 years. Today, 150 varieties of roses fill the garden with color throughout the four seasons. We hold two open garden days in spring and fall, during which time many people visit the garden. We will continue to host these openings in efforts to build better relationships with the community.



OHARA Rose Garden

Participation in the Sagami River Cleanup Operation

Since 2006, OHARA has continuously participated in the Sagami River Cleanup Operation. Citizens launched this operation to protect the environment along the Sagami River, a recreational area for the community. Going forward, we will continue to join in efforts to preserve the local environment, existing in harmony with the community.



Participants in the Sagami River Cleanup Operation

Career days

As part of our activities for contributing to the local community, we host career days for students from local junior high schools. By providing hands-on opportunities for the students to engage in actual work experience, we aim to teach the students about the significance and importance of working and give them the opportunity to think about their future. We will continue cherishing our connections with the local community, support the growth of the younger generation who will lead the next generation, and provide them with learning opportunities.



Factory tour

Sponsorship of Enageed Summit

Since 2022, OHARA has continued to sponsor the Enageed Summit, an event where junior and senior high school students across Japan explore social issues starting from a sense of “unease” and present ideas to create a better future. This initiative aligns with OHARA’s emphasis on challenge and value creation, and the company supports the younger generation’s endeavors by providing special trophies made from our optical glass.

In 2025, a record-high 9,333 participants took part, and the ten finalist teams delivered passionate presentations.



Enageed Summit Awards Ceremony

Sponsorship of S.C. Sagami-hara Jimoto Ai Project

OHARA supports S.C. Sagami-hara’s Jimoto Ai Project, which aims to solve local community issues, and continued its efforts focused on child-raising support in FY 2025. A stadium childcare room was provided during 13 home games where, in collaboration with SC Sagami-hara and Izumi Junior College, qualified childcare professionals and student volunteers offered programs such as greetings with the team mascot, GAMITY, and craft activities, ensuring that the children could spend their time enjoyably. The cumulative number of users exceeded 100, with feedback including comments such as, “I was able to watch the game with peace of mind,” and “My child was happy because there were different activities each time,” indicating a high level of satisfaction. In addition, we co-organized a “Kids Park” with SC Sagami-hara, holding 47 events throughout the year. These included activities that parents and children could enjoy together, as well as workshops designed to promote understanding of OHARA’s business. We will continue to work toward creating an environment where parents and children can enjoy themselves with peace of mind.



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Jimoto Ai Project

To commemorate the 15th anniversary of the club’s founding, S.C. Sagami-hara launched the Jimoto Ai Project in September 2023 as an initiative to address social issues in its hometown in a medium- to long-term sustainable manner. The three priority areas of the Jimoto Ai Project are education, well-being, and environmental preservation, and we aim to carry out new social collaboration activities in these areas.

Communication with All Shareholders and Investors

OHARA discloses corporate information in a timely and appropriate manner and strives for sincere and highly transparent communication through dialogue with shareholders and investors to ensure the correct understanding of and support for our corporate activities from society. At the annual general meeting of shareholders, we communicate OHARA’s vision and initiatives in an easy-to-understand manner so that all shareholders can understand them, and we will continue to disclose management information promptly and accurately by posting materials from the general meeting of shareholders and quarterly

financial result briefing sessions on our website. Furthermore, we provide information for individual investors to enable them to better understand OHARA, including our features and improvements, through our website and Integrated Report (this report). We provide management information to institutional investors and securities analysts at our financial report briefing sessions, and our IR (Investor Relations) division endeavors to engage in detailed dialogue with them. The opinions and requests we receive are regularly shared at Management Council meetings and are used as reference for OHARA’s management.

Complying with Laws and Regulations

Promotion System

We have established a system in which an Ethics and Compliance Subcommittee within the Internal Control Committee promotes Group-wide activities pertaining to ethics and compliance, and reports on important matters to the Board of Directors.

Under this system, we have established the Guidelines of Conduct in line with OHARA’s philosophy based on its corporate principles, and in accordance with those guidelines we strive to foster a strong commitment to compliance to ensure that all employees not only comply with all laws and regulations, but also execute business activities with a high sense of ethics and in a fair and proper manner.



Compliance seminar

Efforts to reinforce ethics and compliance

Based on fundamental philosophy on corporate ethics and the Guidelines of Conduct, OHARA has stipulated the Codes of Conduct: Guidelines, which specify major points of laws and regulations, response policies, and matters of caution to be complied with in conducting business activities. In addition, we use the RBA Code of Conduct* as a reference together with stakeholders in our supply chain. To ensure that business

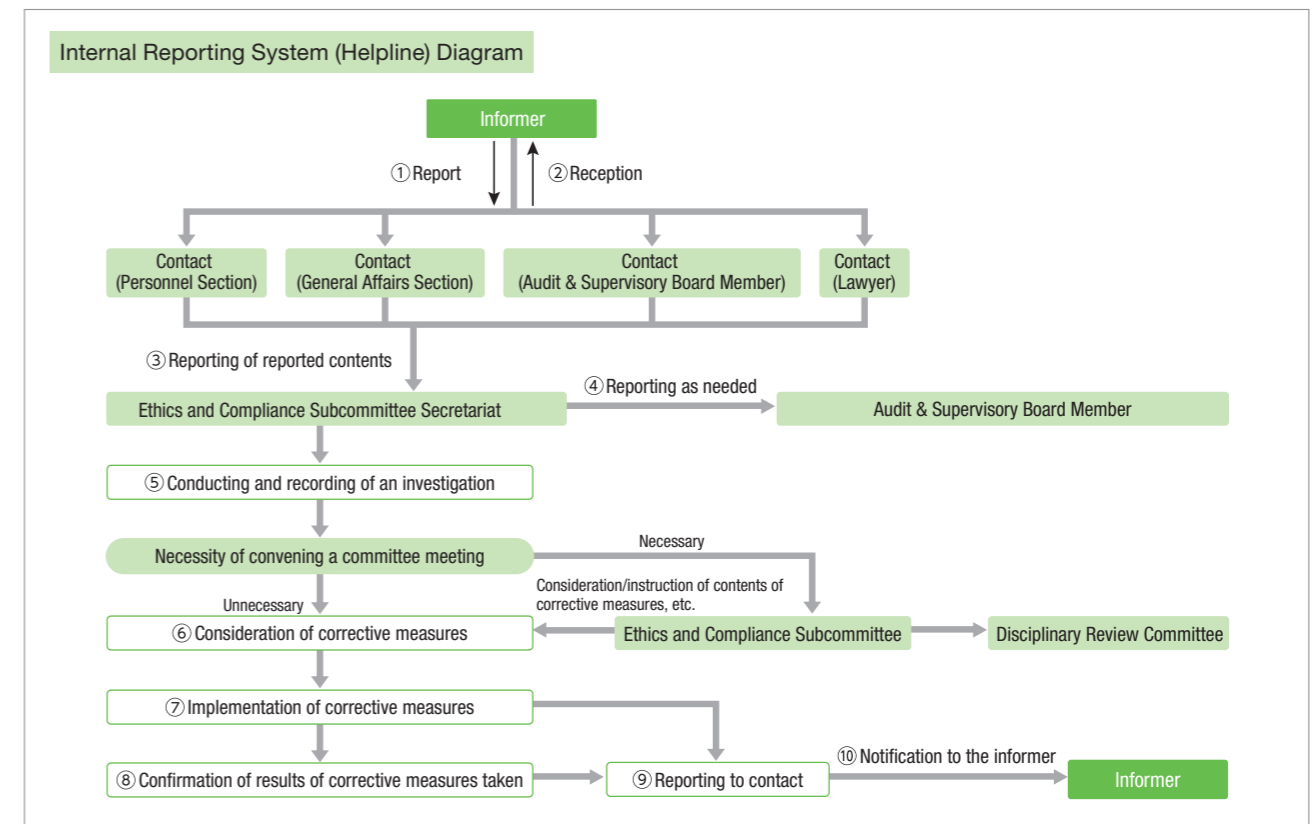
activities are conducted in line with these codes, we regularly hold compliance seminars and provide educational activities for all employees using the intranet.

* RBA Code of Conduct: Responsible Business Alliance Code of Conduct. Standards to ensure that the working environment in the supply chain is safe, and that business is conducted responsibly, ethically, and with respect for human rights and the environment.

Internal Reporting System (Helpline)

We have established an internal reporting system (Helpline) to support early detection and proper handling of actual or suspected violations of laws, regulations, the Codes of Conduct: Guidelines, the RBA Code of Conduct, rules of employment, and other guidelines, and to provide a mechanism of remedy and relief regarding abuse of power, sexual harassment, and other human rights violations.

This system is rigorously operated in accordance with the Regulations on Ethics and Compliance Management and the Internal Reporting (Helpline) Operation Guidelines in order to preserve the privacy of informers and protect them from disadvantageous treatment.



Human Rights

Through its business activities, the OHARA Group seeks to help build a society where all human rights are respected and everyone can play active roles with peace of mind. In line with our Human Rights Policy, we strive to respect the human rights of our suppliers, customers, employees, and all other stakeholders. We inform each Group company of the Code of Conduct

and provide education on human rights to promote the dissemination of knowledge and understanding. In addition, we communicate with our major suppliers regarding respect for the human rights of workers by requesting them to refer to and comply with the RBA Code of Conduct.

Human Rights Policy

The OHARA Group respects international norms concerning human rights and has established a human rights policy based on

those norms. We carry out initiatives for respecting human rights in accordance with that policy and the RBA Code of Conduct.

OHARA Group Human Rights Policy

The OHARA Group, recognizing that respect for human rights is a critical social responsibility for companies, conducts initiatives for respecting the human rights of all people associated with its business activities, with the aim of realizing the vision for the future and society laid out by its Corporate Message: "A secure and healthy life. A society that cultivates creativity and aspirations. Sustainable well-being of our planet."

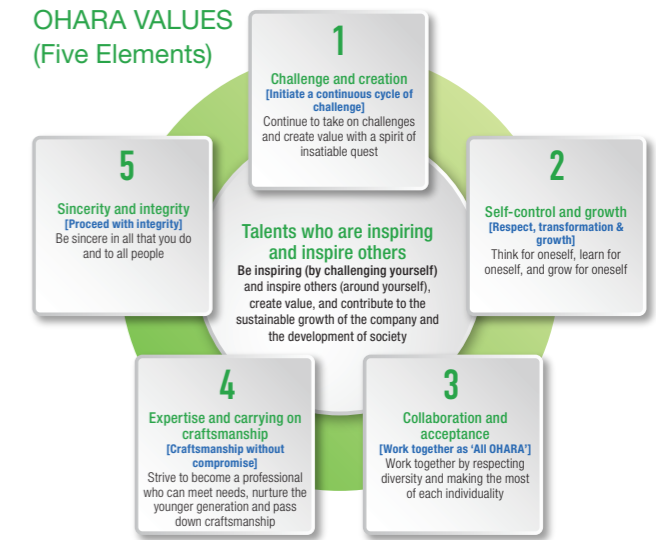
- 1 (Respect for Human Rights)
The OHARA Group recognizes the potential for its business activities to affect human rights directly or indirectly and will respect the human rights of all stakeholders.
- 2 (Scope of Application)
This Policy applies to all officers and employees of the OHARA Group. The OHARA Group will encourage its suppliers and other parties to also support this Policy and endeavor to respect human rights.
- 3 (Respect for International Norms)
The OHARA Group respects the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights, and other international norms concerning human rights.
- 4 (Remedy and Relief)
If it is discovered that the OHARA Group has caused or encouraged adverse impacts on human rights, the OHARA Group will endeavor to remedy those impacts through the proper procedures.
- 5 (Disclosure)
The OHARA Group will use its website and other channels to report on its initiatives for respecting human rights based on this Policy.
- 6 (Dialogue with Stakeholders)
The OHARA Group will strive to engage stakeholders in dialogue and discussion concerning how it addresses human rights challenges.
- 7 (Education)
The OHARA Group will continuously provide human rights education and training to deepen the understanding of its officers and employees regarding international norms on human rights and this Policy, to enable them to properly deal with human rights challenges.

Enacted on
December 5, 2023

Human Capital

Basic Views

In order to realize the Corporate Message, which is the foundation for OHARA Group's Basic Policy for Sustainability, it is vital for each and every employee to create value with a sense of initiative. The OHARA VALUES, which express the culture embodied in the Corporate Message, define human resources who contribute to the sustainable growth of the company and the development of society as "talents who are inspiring and inspire others." We are working to strengthen our human capital based on the concept that talents who are inspiring (by challenging themselves) and inspire others (around them) are a force for putting OHARA's value creation model into practice and establishing a competitive edge. In addition, we are promoting the development of the capabilities of management talent, talent to promote new businesses, specialist talent to support new businesses, and DX talent to ensure competitive advantage. We also are accelerating the speed of development of this talent as human resources who will increase the effectiveness of the OHARA Group's strategies, accelerate business expansion in growth fields such as semiconductors, accelerate commercialization in new fields such as lithium-ion batteries, XR, and low-dielectric glass, improve the profitability of the Optical business, and promote the growth of the Electronics business.



Promotion System to Enhance Human Capital

OHARA has established a Sustainability Committee tasked with discussing policies and measures regarding medium- to long-term sustainability initiatives, including those pertaining to human capital. The Management Council makes decisions regarding human capital initiatives based on the content of the

Committee's discussions and reports the decisions to the Board of Directors. Furthermore, the insights of outside officers are also incorporated into development of human capital actions to ensure that they contribute to the realization of the Corporate Message.

Strengthening Talent Recruitment

OHARA proactively recruits talents who embody the OHARA VALUES. As part of our recruitment branding, we use our website, videos, and other media to communicate images of what it is like to work for OHARA. We also host briefings to provide an overview of our company and provide internships and other opportunities to experience work at OHARA. In addition, we offer pre-employment internships to new graduates to broaden their career perspectives, helping them develop an idea of their work outlook and what their job and career might look like after they join the company.

Furthermore, in our hiring of mid-career talent, we emphasize the matching of the right people with the right job and actively approach talents who we believe will thrive at OHARA. Accordingly, we provide job candidates with factory tours and opportunities to ascertain the specific duties that the job involves so that they can get an idea of what it would be like to work at OHARA.

Furthermore, by sharing stories of our employees' achievements by job category via our website and other channels, and delivering messages to prospective future colleagues, we hope to acquire talents who will embody our Corporate Message.

Talent Development

Since 2020, we have been providing training specifically designed to foster initiative and encourage our people to challenge themselves. In 2023, we expanded this program to include employees at domestic Group companies and continued this in FY 2025.

In addition, we provide practical training for the next-generation management and talents who will drive new businesses by assigning them to key positions that will accelerate our

strategies. Within existing organizations as well, we are promoting the development of next-generation leaders by providing them with opportunities to gain experience in advancing business activities. Furthermore, we support reskilling by providing video-based learning content and promoting an open recruitment system that offers opportunities for experience based on career plans designed by employees themselves.

Activities that Encourage Initiative and Challenges

Every year, OHARA holds the OHARA AWARD to recognize employees and teams across the Group who have undertaken challenging initiatives. Through these awards, we promote a culture of taking on challenges throughout the entire Group.

In addition, in FY 2024, we introduced a new HR system, incorporating the earlier implementation of role assessments and promotions as well as the setting of challenging goals, and are

working promoting these. In FY 2025, we conducted training sessions for employees subject to evaluations to further promote the implementation of the new HR system. In particular, the challenge-based objectives are self-selected and are subject to a points system to assess the effort in the challenge, creating a mechanism that increases employees' initiative and fosters a culture of taking on challenges.

Diversity

We consider women, foreign nationals, and mid-career hires to be indispensable talents that not only strengthen our ability to adapt to change but also impart new value to the organization with their different knowledge, skills, and ways of thinking. We also believe that hiring such diverse people and having them play active roles in our organization contributes to the sustainable growth of OHARA and to the resolution of social challenges. For these reasons, we proactively hire and cultivate diverse talents.

Female representation in management at OHARA is steadily increasing, standing at 14.6% in FY 2025 (12.8% in FY 2024). Meanwhile, foreign nationals serve as the local heads of four of the OHARA Group's seven overseas sites. For mid-career hires, we provide an environment that enables them to get up and running in a short time by developing and implementing personalized training programs for them. The ratio of mid-career hires in management in FY 2025 was 39.0%. We will continue to run these initiatives.

Work-Life Balance

OHARA recognizes that a good balance between professional and personal life is important for both companies and the individual, and we promote specific initiatives aimed at realizing this.

- Childcare leave
- Family care leave
- Shorter working hour system for childcare
- Hourly paid leave system
- Flextime system (for work of at least 3 hours/day)

KENKO Investment for Health

OHARA works on KENKO Investment for Health in order to contribute to our Management Philosophy of advancing the well-being of our people and contributing to the prosperity of society. We aim to ensure a safe and comfortable working environment in which each and every employee can maintain a healthy mind and body and achieve a good work-life balance.

Thanks to efforts to promote the creation of a workplace environment where employees can work in a healthy manner, we have been certified as a 2025 Certified KENKO Investment for Health Outstanding Organization (Large Enterprise Category).

Trends in Health Metrics

	Metric	2022	2023	2024	2025
Physical health	Participation in health checkups	100.0%	100.0%	100.0%	100.0%
	Participation in detailed medical exams	62.9%	52.4%	51.8%	Measuring
	High-risk personnel interview rate	100.0%	100.0%	100.0%	100.0%
	Employees in healthy weight range	61.0%	63.5%	65.3%	64.0%
	Employees who smoke	28.3%	30.5%	27.3%	26.3%
	Employees who regularly exercise	27.0%	26.6%	23.8%	Measuring
Mental health	Participation in stress checks	96.0%	95.5%	93.0%	98.3%
	Employees with high stress scores	17.8%	14.6%	20.1%	14.1%
Work-Life Balance	Average monthly overtime hours	13 hours	12 hours	11 hours	Measuring
	Average rate of usage of annual paid leave	70.0%	80.7%	77.3%	Measuring
Occupational safety	Participation in occupational safety trainings/No. of trainings	77.4%/4 times	61.5%/6 times	62.5%/6 times	Measuring
Relationship between physical/mental health and performance ^(*)	Presenteeism Employees experiencing impaired performance due to physical/mental health issues	8.6%	8.7%	—	—
	Average score (4-point scale) for an indicator evaluating work engagement and vitality ^(**)	—	—	2.66	Measuring

Calculation period: Calculated on an annual basis in line with performance reports to the Ministry of Economy, Trade and Industry
 (*1) Due to a change in the stress check contractor, the evaluation indicators have been changed since FY 2024
 (**2) Items related to work engagement and vitality (national average: 2.54 points)

Measurement, Analysis, and Evaluation of Employee Engagement Scores

OHARA aims to contribute to the sustainable growth of the company by preventing employee turnover, enhancing productivity, revitalizing the workplace, improving employee health, and increasing customer satisfaction through our human capital initiatives.

As part of these efforts, OHARA conducts annual surveys on human capital, measures, analyzes, and evaluates the results. The results of the evaluation are continuously channeled back to companywide policies and improvement plans, and the management team and executives work together to promote initiatives aimed at improving employee engagement. The evaluation results are also reflected in performance-based remuneration for officers.

Trends in employee engagement scores

	2022	2023	2024	2025
Engagement score (average on a 5.0-point scale)	3.27	3.27	3.26	3.34

The target is set at 3.5 points or higher, equivalent to 70% of the maximum score of 5.0 points.

Metrics and Targets

To ensure that we can acquire and train sufficient talent to contribute to the sustainable growth of the OHARA Group, we are continuously working to create an environment that enables

employees to confidently grow and challenge themselves, and to recruit and train exceptional talent.

Indicators	Targets	Results for FY 2025	Remarks
Reskilling support tool training hours	10 hours or more per person per annum	Approximately 6.5 hours per person per annum	Approximately 6.0 hours in FY 2024
Number of workplace experiences	3 workplaces or more per person	2.32 workplaces per person	2.30 workplaces in FY 2024
Ratio of females	FY 2025: 28.8% FY 2035: 35.0%	27.2%	
Percentage of female workers in management ^{(Notes)2}	FY 2025: 13.7% FY 2035: 30.0%	14.6%	12.8% in FY 2024
Percentage of mid-career hires in management	— ^{(Notes)3}	39.0%	48.9% in FY 2024
Ratio of foreign nationals	FY 2025: 3.2% FY 2035: 10.0%	1.5%	Due to delays in our plan regarding the ratio of foreign nationals, we will strengthen our recruitment efforts.
Male representation in parental leave taking	100%	60.0%	60.0% in FY 2024
Gender wage gap (Female wage levels as a percentage of male wage levels (Male = 100%))	100%	80.4%	79.7% in FY 2024 The same wage system and structure is applied to men and women, and there is no wage difference based on gender. The wage gap between men and women is mainly due to the difference in the ratio of men to women in management positions.
Employee engagement score	3.5 or higher	3.34	3.26 in FY 2024

(Notes)

- Human capital indicators and targets are presented on a standalone basis, as differences in size and systems across group companies make uniform reporting impractical.
- This calculation is based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
- Since the percentage of mid-career hires in management is already at a high level, numerical targets have not been set.

Corporate Governance

Basic Views

OHARA's Management Philosophy is that "The OHARA Group continually seeks to instill new value and build a strong organization for the purpose of advancing the wellbeing of its people and contributing to the prosperity of society," and we conduct our business activities in accordance therewith.

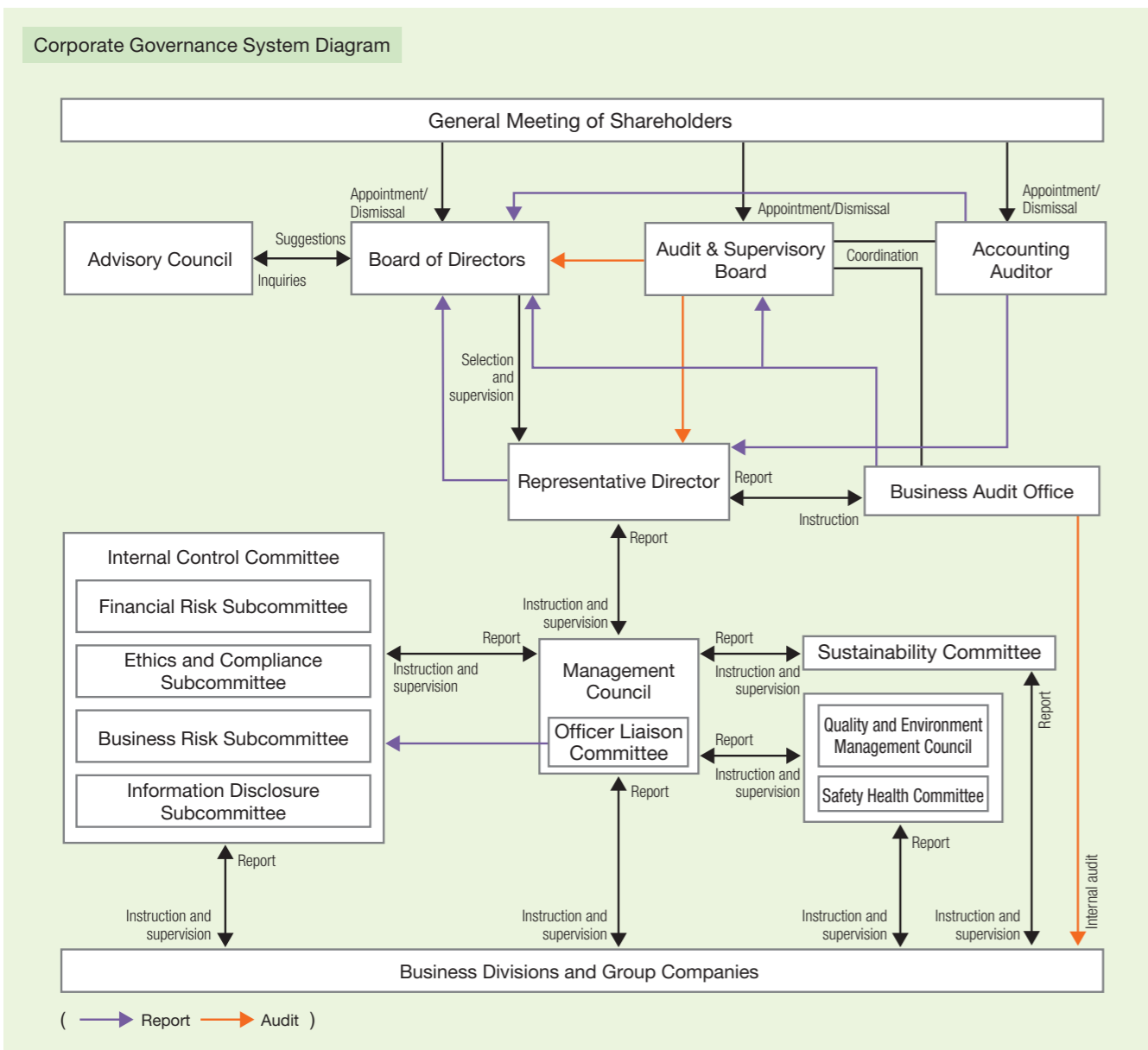
OHARA endeavors to streamline internal organizational structure and administrative schemes and take necessary measures

to realize the above Management Philosophy. Moreover, toward our various stakeholders including customers, shareholders, investors, suppliers, employees, and local communities, OHARA strongly believes that fulfilling responsibility as a public instrument of society will maximize our corporate value. Management with transparency and soundness in line with our corporate philosophy is the best approach to corporate governance.

Basic Policies

Based on the intent and spirit of the Corporate Governance Code, OHARA has established the "Basic Policies on Corporate Governance," with the objective of pursuing the best

corporate governance and its enhancement, for the sustainable growth and the improvement in the corporate value of the OHARA Group.



Board of Directors

The Board of Directors consists of eight directors and meets once a month in principle. As a management decision-making body, the Board makes decisions on important matters such as management policies and supervises the execution of duties by

directors and executive officers. The Board of Directors currently consists of four full-time directors and four outside directors (including one female). Two of the outside directors are independent outside directors.

Expertise and experience of directors

Name	Position	Corporate Management	Manufacturing/Technology/R&D	Sales/Marketing	Finance/Accounting	Legal/Compliance	Personnel/Human Resources Development
Hirokazu Saito	President, Chief Executive Officer	○		○			○
Takashi Nakajima	Director, Senior Managing Executive Officer	○			○	○	
Naoyuki Goto	Director, Senior Managing Executive Officer	○	○	○			
Masatomo Suzuki	Director, Managing Executive Officer	○		○	○		
Makoto Ichimura	Outside Director	○	○				○
Go Tokura	Outside Director	○	○				
Akira Nokina	Outside Director Independent	○		○			
Yukako Makino	Outside Director Independent					○	

Evaluation of the effectiveness of the Board of Directors

OHARA evaluates the effectiveness of the Board of Directors in accordance with its Basic Policies on Corporate Governance. In the analysis and evaluation for FY 2025, full-time officers (directors and audit & supervisory board members) made self-evaluation based on a questionnaire, and then opinions of independent outside directors were heard, after which the Board of Directors had discussions and carried out analysis and evaluation by referring to the collected results. A summary of the results of this analysis and evaluation follows. Regarding the FY 2025 issue of "Selecting important matters such as management strategies and growth strategies, incorporating

them into the annual plan, and improving their effectiveness," we assessed those key topics, including business structural reforms, were selected and discussed to a certain extent.

On the other hand, we assessed that there is still room for improvement in regard to the depth of discussion on these important matters. We recognized that the ongoing challenge is to further deepen deliberations on essential themes for the OHARA Group, and to ensure that decision-making and oversight effectively function to contribute to the sustainable enhancement of corporate value.

Audit & Supervisory Board

The Audit & Supervisory Board comprises four audit & supervisory board members, three of whom are outside members. In accordance with the audit policy and other guidelines formulated by the Audit & Supervisory Board, the Board audits the directors' execution of their duties by attending the Board of Directors and other key meetings and by investigating the

status of operations and assets. The names of the audit & supervisory board members are as follows:

- Yoshihiro Harada (Chairman, Audit & Supervisory Board Member),
- Taku Yoneyama (Outside Audit & Supervisory Board Member),
- Minoru Asada (Outside Audit & Supervisory Board Member), and
- Yoshinari Iizuka (Outside Audit & Supervisory Board Member).

Advisory Council

The Advisory Council is established as a voluntary body and consists of the chairman of the Board of Directors and three independent officers (two independent outside directors and one independent outside audit & supervisory board member). It works to ensure management objectivity and transparency by

deliberating and reporting on matters regarding the appointment and dismissal of senior management (executive officers concurrently serving as directors), appointment of directors and audit & supervisory board members, and remuneration of directors.

Internal Control Committee

The Internal Control Committee, chaired by President and Chief Executive Officer, has been established to check and strengthen the status of internal controls whose four purposes are to improve the effectiveness and efficiency of operations, ensure the reliability of financial reporting, comply with laws and regulations, and preserve assets. There are four subcommittees under the Internal Control Committee: the Financial Risk Subcommittee, the Ethics and Compliance Subcommittee, the Business Risk Subcommittee, and the Information Disclosure Subcommittee. The Internal Control Committee monitors

internal controls of the OHARA Group as a whole, including these subcommittees.

Financial Risk Subcommittee

The Financial Risk Subcommittee is in place to establish and build a system for ensuring the appropriateness and efficiency of the OHARA Group's operations as well as the reliability of financial reporting. The subcommittee considers and supervises action plans and measures to improve the effectiveness and efficiency of operations and ensure the reliability of financial reporting.

Ethics and Compliance Subcommittee

The Ethics and Compliance Subcommittee is in place to establish an ethics and compliance system for the OHARA Group as a whole and to realize corporate governance that fulfills its social responsibility through the execution of fair and appropriate business activities. The subcommittee practices the OHARA Group's philosophy based on its corporate principles by providing educational programs related to ethics and compliance to raise awareness about legal compliance and ethics and prevent iniquity.

Business Risk Subcommittee

The Business Risk Subcommittee is in place to manage risks of the OHARA Group effectively and efficiently. The subcommittee designs policies, systems, and measures pertaining to the

Group's risk management, raises awareness about the prediction and prevention of potential risks, formulates and operates annual risk management plans, conducts overall coordination of risks of divisions and subsidiaries, and studies measures to minimize damage in the event of crises.

Information Disclosure Subcommittee

The Information Disclosure Subcommittee is in place to disclose important financial, social, and environmental management-related information about the OHARA Group in a fair, timely, and appropriate manner. The subcommittee fulfills corporate accountability and ensures management transparency by considering whether a specific piece of management-related information constitutes a material fact that should be disclosed and taking appropriate measures.

Sustainability Committee

The Sustainability Committee discusses policies and measures pertaining to the OHARA Group's medium- to long-term sustainability initiatives. Recommendations based on those discussions are made by the Management Council, which makes

decisions on policies and specific actions for realizing sustainability. Important matters concerning sustainability are deliberated and supervised by the Board of Directors.

Remuneration for Officers

Policy for determining officer remuneration

1. Determination policy

- Remuneration must function as a sound incentive for the officer's contributions to sustainable growth.
- Remuneration must firmly instill the officer with a commitment to meeting shareholder expectations by maximizing corporate value.
- Remuneration must appropriately reflect the officer's responsibilities.

2. Remuneration system and structure

Remuneration for directors (excluding outside directors) comprises basic remuneration and variable remuneration (performance-based remuneration and a medium- to long-term incentive). The ratio of these depends on the position held but is set at 7:3 when the performance indicator coefficient is 1.

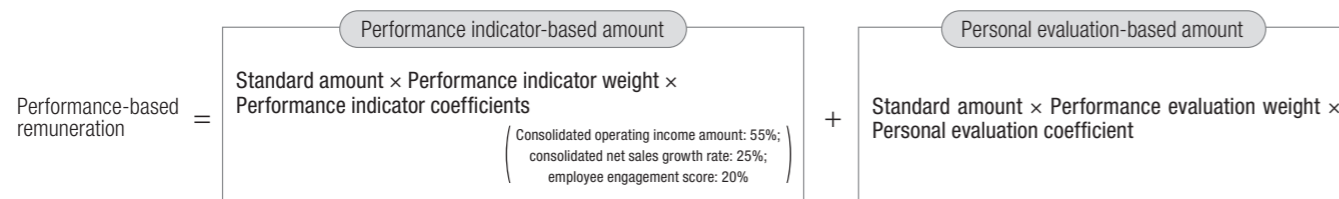
3. Basic remuneration

Basic remuneration is determined according to position and is paid as fixed remuneration. Remuneration for non-executive directors and audit & supervisory board members consists of basic remuneration only, as these officers are independent from the execution of business operations.

4. Performance-based remuneration

In order for performance-based remuneration to function as an incentive for achieving the medium-term management plan's goals and the medium- to long-term improvement of corporate value, it is linked to the company's short-term business performance, employee engagement scores, which are a non-financial indicator, and the director's degree of contribution to that performance. The amount of consolidated operating income, the growth rate of consolidated net sales, and the rate of change in the employee engagement scores are used as indicators. The system is designed so that the weight of performance-based remuneration in the total remuneration package increases with the director's position.

- Formula for calculating performance-based remuneration



- Performance-based remuneration weight (Performance-based remuneration = Performance indicator-based remuneration + Personal evaluation-based remuneration)

Position	Performance indicator weight	Personal evaluation weight
President, Chief Executive Officer	100%	0%
Directors concurrently serving as executive officers	80%	20%

- Performance indicator coefficients
The company assigns a range of 0.3 to 3.0 for each indicator: consolidated operating income amount, consolidated net sales growth rate, and the rate of change in the employee engagement score.

The method for determining these coefficients is annually deliberated and decided by the Board of Directors based on the business plan.

- Personal evaluation coefficient
This coefficient is set in the range 0.5 to 1.5 based on evaluation of the director's achievement of their expected mission and their division's goals.
As for the method for determining the coefficient, the personal evaluations for directors other than the representative director (excluding outside directors) are decided by the President and Chief Executive Officer, who first solicits the opinions from the Advisory Council (a voluntary body comprising the President and Chief Executive Officer and independent outside officers), and bases the decisions on the content of the Council's report. These decisions are reported to the Board of Directors.

5. Medium- to long-term incentive (stock compensation)

The medium- to long-term incentive for directors (excluding outside directors) is a stock compensation plan implemented through a Board Benefit Trust (BBT).

Stock compensation is awarded by points where one point is equivalent to one share of the company's common stock. The

number of points awarded is based on position and increases with the position. The number of points is reviewed every three years.

Messages from Independent Outside Officers



Akira Nokina
Outside Director

Multifaceted monitoring of management from three perspectives

➤ **In monitoring OHARA's management over the medium- to long-term, what points do you focus on?**
In recent years, as the environment surrounding OHARA has changed significantly, the points that I, as an outside director, must focus on in my monitoring activities have become more multifaceted. Currently, I am particularly focusing on three perspectives: the company's perspective, the shareholders' perspective, and the human resources and social perspective, and the advice and recommendations I provide are based on these.

➤ **As an independent outside director, what kind of initiatives are you undertaking from these respective perspectives?**

From a corporate perspective, my primary focus is on management efficiency. This includes discussions on setting appropriate efficiency indicators for OHARA, which has substantial assets, as well as on the associated capital allocation. I have expressed my opinions through discussions on ensuring the effectiveness of risk management systems and internal control systems, and on dialogue with the capital market to effectively communicate growth strategies. From the shareholders' perspective, I am mindful of speaking from the standpoint of protecting the rights and interests of minority shareholders. From the human resources and social perspective, I convey to management the idea that the company should be proactive in its external communication and promotion of non-financial aspects, such as employee treatment and contributions to the local community, as well as its technological capabilities and intellectual property. In addition, I believe that OHARA has business potential that extends beyond the BtoB domain, and I look forward to seeing this leveraged in the company's future growth strategies.



Yukako Makino
Outside Director

Supporting the creation of a future that expands the concept of "value co-creation"

➤ **What challenges do you see for OHARA as it advances the transformation of its business structure?**
I believe that the corporate culture and management foundation that OHARA has built over its 90-year history provides a certain level of robustness in governance and risk management. However, considering changes in the business environment, it may be necessary to place greater emphasis on non-financial factors from new perspectives in evaluating management and planning, and to pursue growth beyond existing frameworks.

➤ **Looking ahead to medium- to long-term growth, what are your expectations for OHARA going forward?**
I expect OHARA to further expand its concept of "value co-creation" by actively utilizing external expertise and acquiring new resources through M&A, thereby driving transformative change within the company. At the same time, in terms of risk management, the ability to respond to unexpected environmental changes arising from geopolitical issues is being put to the test in global management. I also recognize the need to strengthen areas such as the management of overseas subsidiaries, takeover defense measures, and cybersecurity. As an outside director, I will support OHARA's future development by shedding light on issues that may be difficult to identify from within the company.



Yoshinari Iizuka
Audit & Supervisory Board Member

Leveraging knowledge and experience to contribute to the maintenance of an integrity-driven corporate culture

➤ **How do you perceive your role as an independent outside audit & supervisory board member?**
My understanding of the role of an audit & supervisory board member is that it is to oversee the execution of duties by directors and prevent fraudulent activities and violations of laws and regulations before they occur. While such oversight and supervisory responsibilities should ideally be carried out by the Board of Directors and the directors themselves, audit & supervisory board members can be regarded as the last line of defense.

Furthermore, as a designated independent officer, I am committed to expressing objective audit opinions from a neutral standpoint and acting in a manner that ensures fair and just decision-making, taking into account the interests of minority shareholders, by asking frank questions to management and the Audit & Supervisory Board. Although I am not in a position to have detailed access to internal information, I believe this allows me to provide an external and comprehensive perspective. At the same time, I also strive to work closely and collaboratively with the full-time audit & supervisory board members and other audit & supervisory board members to contribute to the enhancement of governance.

➤ **From the perspective of your audit activities, what strengths have you identified in OHARA?**
I have come to appreciate OHARA's sincere corporate culture, which has made a significant contribution to the development of optical technology in Japan, through interviews with employees in the course of my audits. Leveraging my knowledge and experience as a certified public accountant and tax accountant, I hope to further strengthen the corporate culture that OHARA has cultivated over many years.

Risk Management

Risk Management Process

OHARA Group identifies and assesses the risks that could impact its business operations and carries out risk management at each organizational level based on the materiality of each risk.

The Business Risk Subcommittee selects material risks affecting the Group and implements measures for preventing their occurrence and minimizing crises that result from their occurrence.

Material Risks for the Group

The materiality of the risks identified for each Group organization is assessed by the probability of the risk's occurrence and the degree of impact if the risk occurs.

The Business Risk Subcommittee comprehensively examines these assessments and selects the risks deemed to be material to the Group.

	Risks	Impact of risks	Response measures
1	Risks associated with overseas business operation	Geopolitical risks, such as rising political, military, and social tensions in countries and regions, the unexpected tightening of national laws and regulations, and the checks and balances between countries, could cause disruptions or interruptions to the supply chain, which could result in lost business opportunities and adversely affect our business performance and financial position.	In order to build a resilient supply chain that can withstand changes in the situation overseas, we are working to operate production lines and sales offices in multiple regions, strengthen our collection of information on international regulations, transform the functions of overseas production bases, and promote collaboration with overseas processing manufacturers.
2	Risks of price increases and supply stoppages of raw materials and resources	Difficulties in obtaining raw materials from limited manufacturers and production areas, as well as rising prices of raw materials and other materials due to fluctuations in production conditions, exchange rates, and market conditions could disrupt production and adversely affect our business performance and financial position.	We will strengthen communication with raw material suppliers and other parties. For high-risk raw materials, we will set high inventory levels, and advance research into new optical glass that is rare-earth-free or contains reduced amounts of rare earths.
3	Risks associated with talent acquisition and training	The inability to acquire and train sufficient talent who can contribute to the sustainable growth of the Group could adversely affect our business performance and financial position.	Our policy is to develop an environment that enables employees to confidently grow and challenge themselves, and to continue recruiting exceptional talent and providing training programs for them.
4	Risks of dependence on specific markets	The digital camera market is shrinking, and competition is intensifying in Japan and overseas, which could adversely affect our business performance and financial position, including a decline in sales and profit margins.	We are reinforcing the Optical business and Electronics business pillars by building highly efficient production systems and are promoting business structural reforms and striving to create and expand high-earning businesses by pursuing innovation and promoting the exploration of new businesses.
5	Risks of dependence on specific customers	Any sudden decrease in orders for some optical glass and special glass, which tend to be highly dependent on specific customers, could adversely affect our business performance and financial position.	We are continuing R&D in new fields and proactive acquisition of new customers.
6	Climate change risks	Delays in our efforts to reduce GHG emissions could result in a deterioration of our market reputation and a decline in product share.	We have set targets for GHG emission reductions and are continuing our efforts to utilize renewable energy and develop melting and combustion methods that will contribute to a reduction in GHG emissions. By realizing this development at the earliest opportunity, we aim to gain competitive advantage.
7	Information security risks	Cyber-attacks, unauthorized access, and other unforeseen circumstances may cause information system malfunctions, data theft, falsification, or loss, which could adversely affect our business performance and financial position.	We are continuing to take measures to strengthen security systems and provide information security training to employees.
8	Risks of fluctuations in exchange rates and interest rates	Since we are engaged in production and sales activities on a global level with a focus on the Asia region, sudden fluctuations in exchange rates, and sudden fluctuations in interest rates and other financial markets could adversely affect our business performance and financial position.	We are taking measures to reduce risk by using forward exchange contracts, etc., and effectively manage consolidated interest-bearing debt.
9	Risks of natural disasters, pandemics, etc.	Unexpected natural disasters, accidents, pandemics, etc. may occur, causing damage to facilities, interruptions to the supply of electricity, water, and gas, etc., halts to public transportation and communication services, and damage to the supply chain, leading to a reduction in production, restrictions on sales activities, and other disruptions to business activities, which could adversely affect our business performance and financial position.	We are formulating business continuity plans, implementing earthquake-proofing measures, carrying out regular inspections, conducting disaster drills, ensuring inventories, securing multiple suppliers, and preparing guidelines to prevent the spread of infection.
10	Environmental risks	An increase in the cost of complying with strengthened environmental laws and regulations or the occurrence of environmental issues could result in compensation for damage and costs for countermeasures.	We position harmony between business activities and the environment as one of our top management priorities, and are promoting various environmental management actions, including compliance with laws and regulations and industrial and other codes of conduct, as well as formulating and managing voluntary standards.
11	Compliance risks	Our business activities may be subject to litigation, disputes, and other legal proceedings, which could adversely affect our business performance and financial position.	We ensure thorough compliance by conducting awareness-raising and education on codes of conduct and laws governing business activities.
12	Parent company risks	The Group's inability to maintain good relationships with the parent company could adversely affect our business performance and financial position.	We will work to strengthen our future relationship with the parent company.

Financial & Non-Financial Highlights

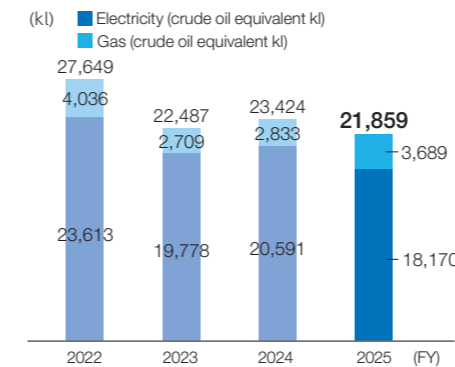
Financial

	2022	2023	2024	2025 (FY)	
Main Financial Results (millions of yen)					
Net sales	28,304	28,123	27,909	28,895	
Gross profit	9,190	8,948	8,783	8,546	
Gross profit-to-net sales ratio (%)	32.5	31.8	31.5	29.6	
Operating income	2,976	2,233	2,177	1,794	
Operating income-to-net sales ratio (%)	10.5	7.9	7.8	6.2	
Ordinary profit	3,665	2,603	2,587	2,289	
Ordinary profit-to-net sales ratio (%)	13.0	9.3	9.3	7.9	
Profit attributable to owners of parent	2,116	1,572	1,568	1,730	
Profit-to-net sale ratio (%)	7.5	5.6	5.6	6.0	
Net assets	45,262	47,311	50,833	52,347	
Total assets	60,678	61,840	65,112	66,884	
Net cash provided by (used in) operating activities	2,303	1,837	2,736	1,049	
Net cash provided by (used in) investing activities	(1,993)	(2,105)	(2,232)	(854)	
Net cash provided by (used in) financing activities	(760)	(7)	(1,248)	(942)	
Depreciation	1,400	1,461	1,491	1,442	
Purchase of property, plant and equipment	(1,405)	(1,625)	(1,588)	(1,858)	
R&D expenses	717	1,021	823	732	
Main Indicators (%)					
Equity capital ratio	74.2	76.1	77.6	77.6	
ROA (return on asset)	6.4	4.2	4.1	3.5	
ROE (return on equity)	5.0	3.4	3.2	3.4	
PER (price earnings ratio)	13.95	19.43	20.21	16.03	
Payout ratio	23.0	31.0	35.7	35.2	
Average exchange rate during the period	USD (yen)	127.39	139.28	150.54	149.34
	EUR (yen)	135.64	149.49	163.59	166.06
Segment Data (millions of yen)					
Optical business	Net sales	16,900	15,802	13,946	15,310
	Operating income	1,156	(40)	(800)	(799)
	Operating income-to-net sales ratio (%)	6.8	(0.3)	(5.7)	(5.2)
Electronics business	Net sales	11,404	12,320	13,962	13,585
	Operating income	1,820	2,274	2,978	2,593
	Operating income-to-net sales ratio (%)	16.0	18.5	21.3	19.1
Per Share Data (yen)					
Net assets	1,848.95	1,931.08	2,072.93	2,131.47	
Net profit	86.90	64.54	64.36	71.04	
Dividend	20.00	20.00	23.00	25.00	

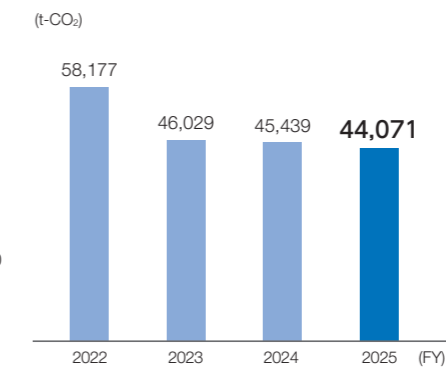
* Dividend Policy
OHARA's basic dividend policy is to return profits to shareholders in a stable, continuous manner, while also accumulating the necessary internal reserves for strengthening management foundations and future business expansion.

Non-Financial

OHARA Group's Electricity and Gas Use (Crude Oil Equivalent)

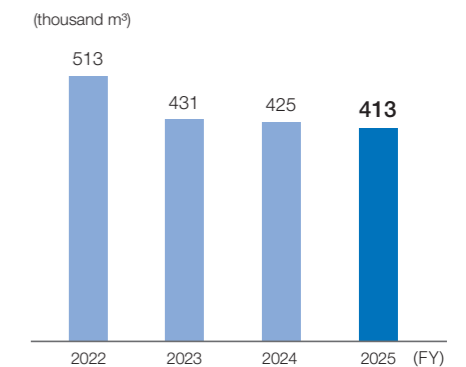


OHARA Group's Greenhouse Gas (GHG) Emissions



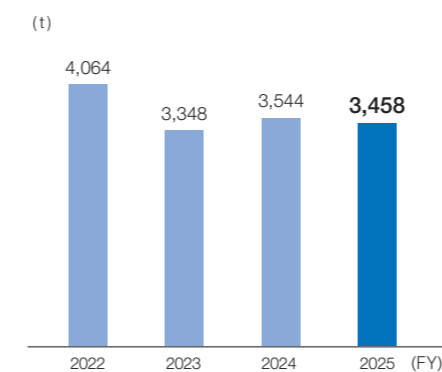
* Greenhouse gas (GHG) emissions from (some) transportations of products and materials and affiliated melting companies in Scope 3 are included.

OHARA Group's Water Use

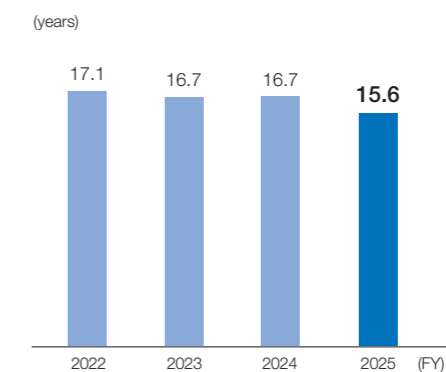


* Including groundwater

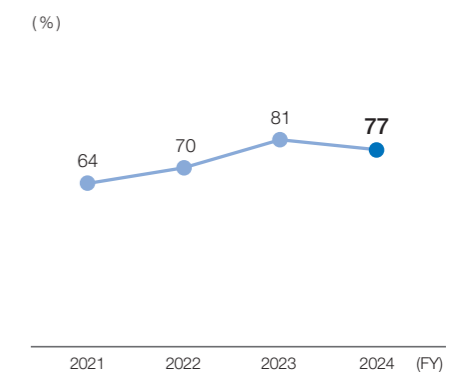
OHARA Group's Waste Volume



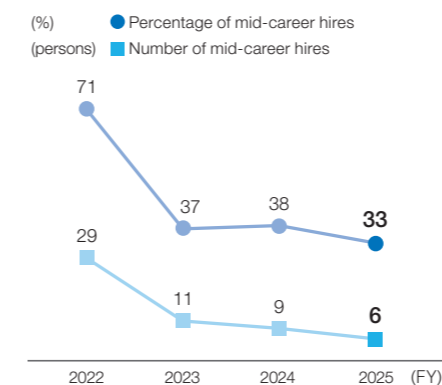
Average Duration of Employment*1



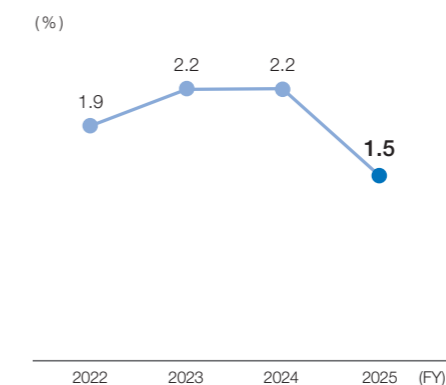
Average Paid Leave Acquisition Rate*1 *2



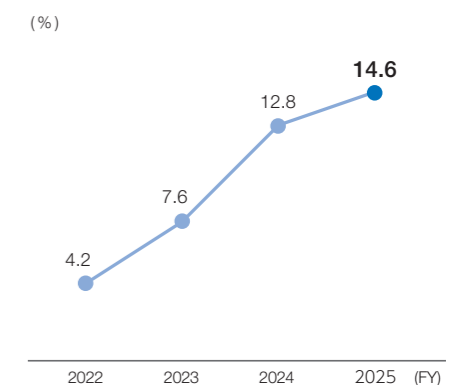
Percentage and Number of Mid-career Hires*1



Percentage of Foreign Employees*1



Percentage of Females in Management*1



*1 Non-consolidated figures of OHARA.
*2 Special paid leave was provided for COVID-19-related leave in FY 2021.