

## Nippon Sheet Glass Posts Impairment Loss—No Immediate Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement by Nippon Sheet Glass Company, Limited (security code: 5202) regarding the revision of the consolidated earnings forecasts for the fiscal year ending March 31, 2023 and the recording of an impairment loss.

- (1) Nippon Sheet Glass Company, Limited (the "Company") announced today that it would record an impairment loss of 48.8 billion yen for goodwill and intangible assets in its European automotive glass business in its financial results for the second quarter of the fiscal year ending March 31, 2023 (FY2023). As a result, the Company lowered its forecast for profit attributable to owners of the parent for FY2023 to a loss of 41.0 billion yen, compared to a profit of 4.0 billion yen at the beginning of the fiscal year. Equity attributable to owners of the parent at the end of the second quarter of FY2023 was 151.8 billion yen (145.2 billion yen at the end of FY2022), and the ratio of equity attributable to owners of the parent was 15.1% (15.5% at the end of FY2022).
- (2) Despite the large net loss, the Company's financial structure remained almost the same as that at the end of FY2022, thanks to an increase in the shareholders' equity caused by factors such as the weaker yen. It has been maintaining a solid operating income, covering increased costs such as raw materials and fuels with improved selling prices and increased sales volume. Based on the above, JCR believes that the loss will not immediately affect the rating. JCR will continue paying attention to whether the Company can improve profit by promoting price revisions and structural reform measures in the face of strong uncertainty about future such as trend in raw material and fuel prices and concerns about economic recession in various countries.

Hajime Inoue, Mariko Miura

### <Reference>

Issuer: Nippon Sheet Glass Company, Limited

Long-term Issuer Rating: BB+      Outlook: Stable

### Japan Credit Rating Agency, Ltd.

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