

Central Glass Resolves to Acquire Treasury Shares—No Immediate Impact on Rating, Progress in Future Financial Improvement to Be Closely Watched

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion concerning Central Glass Co., Ltd. (security code: 4044).

Central Glass Co., Ltd. (the "Company") announced on September 20, 2022 that its board of directors has resolved to acquire treasury shares and to do so through a public offering. It estimates the share acquisition price to be maximum 50 billion yen. Equity capital as of June 30, 2022 was 128.8 billion yen, and its ratio stood at 53.7%. It is expected that, in the event that the share acquisition is realized, equity capital will shrink significantly and the financial structure will deteriorate with an increase in interest-bearing debt, etc. That said, the Company is improving its performance while disposing of assets including cross-shareholdings. Given also its conservative financial policy, JCR considers it not necessary to review the rating right away. Close attention will be paid to how far the financial structure will improve going forward.

Hajime Inoue, Mariko Miura

<Reference>

Issuer: Central Glass Co., Ltd.

Long-term Issuer Rating: A- Outlook: Stable

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