

## Nippon Sheet Glass Announces Capital Injection by Apollo Funds and Debt-to-Equity Swap by Major Banks—Closely Watch Profit and Loss and Financials After This

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the Fundamental Measures for the “New” NSG Group of Nippon Sheet Glass Company, Limited (security code: 5202).

- (1) On March 24, 2026, Nippon Sheet Glass Company, Limited (“NSG”) announced the Fundamental Measures for the “New” NSG Group. NSG believes it will take a long period of time to reconstruct the financial standing through its self-help efforts, and this aims to fundamentally improve the financial standing in a short period of time to secure a growth trajectory. Specifically, NSG is scheduled to implement the following: (i) carrying out a third-party allotment of shares to Apollo Funds (in total of 165 billion yen); (ii) delisting shares through share consolidation accompanied by the purchase of all shares held by existing shareholders; (iii) carrying out debt-to-equity swap by major financial institutions (in total of 140 billion yen); (iv) refinancing existing borrowings in Japan; and (v) repaying existing borrowings of the UK subsidiary. Proceeding the necessary procedures, such as the relevant resolutions at the Annual General Shareholders Meeting, a series of procedures are scheduled to be completed by last part of March 2027.
- (2) Although this involves debt-to-equity swap, JCR believes NSG has a reasonable timeframe before a default in payment where the measures are not implemented considering the profit and loss, and financial conditions. For the fiscal year ending March 2026, NSG projects an operating profit of 31 billion yen, and profit for the year attributable to owners of the parent of 2 billion yen in the black as opposed to 16.4 billion yen and 13.8 billion yen in the red for the previous fiscal year, as shown that the performance is in a recovery trend. As at the end of the third quarter of the fiscal year ending March 2026, interest-bearing debt was 570.2 billion yen and equity capital was 124.3 billion yen as opposed to 522.7 billion yen and 108.1 billion yen as at the end of the previous fiscal year respectively. Interest-bearing debt is at a high level, but the financial structure has not been largely changed as net D/E ratio was 4.22x as opposed to 4.23x as at the end of the previous fiscal year. Going forward, JCR will closely watch an improvement in profit and loss, and the financial standing after the implementation while watching the consequences.

Hajime Inoue, Yasuhiro Shimoda

### <Reference>

Issuer: Nippon Sheet Glass Company, Limited

Long-term Issuer Rating: BB+      Outlook: Stable

### Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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