

Nippon Sheet Glass Revises Full-year Earnings Forecast for FY2025—No Immediate Impact on the Rating, Future Profit and Financial Recovery to Be Closely Watched

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement by Nippon Sheet Glass Company, Limited (security code: 5202) on its revision to the full-year earnings forecast for the fiscal year ending March 2025 (FY2025).

- (1) Nippon Sheet Glass Company, Limited (the "Company") announced on February 7 its revision to the full-year earnings forecast for FY2025. It now expects 16.0 billion yen in operating profit and 17.0 billion yen in loss attributable to owners of the parent (net loss), as opposed to 26.0 billion yen in operating profit and 0.0 billion yen in net profit prior to the revision. As major factors behind this, i) a significant recovery in demand cannot be expected as the economic slowdown in Europe continues, and ii) exceptional costs accompanying the decision to adjust automotive glass production schedules in Germany will be posted for the Automotive business. Moreover, the financial base continues to have much room for improvement, as indicated by total shareholders' equity amounting to 120.1 billion yen and total shareholders' equity ratio standing at 11.7% as of the end of the third quarter of FY2025, versus 124.2 billion yen and 12.3% at the previous year-end.
- (2) Although the Company has revised its earnings forecast as mentioned above, given that it has already been working on the revision of the production system, expansion of value-added products, etc. in Europe, JCR concludes that there is no need to immediately review the rating as a result of the revision. That said, if profit recovery remains stagnant and the financial base does not improve, downward pressure on the rating will probably increase further. Looking ahead, JCR will closely watch whether the Company can achieve steady profit recovery and improve the financial base through such measures as restructuring its European operations.

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<Reference>

Issuer: Nippon Sheet Glass Company, Limited

Long-term Issuer Rating: BB+ Outlook: Stable

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