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**Recognition of Impairment of Debt and Equity Investments
in Joint Venture and Associates,
and Differences between Actual Results and Previous Forecast**

The NSG Group announces the recognition of impairment of debt and equity investments in joint ventures and associates, and differences between actual results and previous forecast for full year 2022/3 (the financial year ending on 31 March 2022), as set out below.

I. Recognition of impairment of debt and equity investments in Joint Ventures and Associates

As a consequence of the invasion of Ukraine by Russia, the Group recorded an impairment loss of JPY 3,374 million, of financial receivable owed to the Group by an operating company in Russia, owned by SP Glass Holdings BV, a joint venture registered in the Netherlands.

The Group has also considered the recoverable amount of its equity investment in SP Glass Holdings BV, accounted for using the equity method, and recorded a partial impairment loss of JPY 3,422 million, reflecting the uncertain outlook for the investments in Russia.

Both of these charges have been presented in the Group's consolidated income statement, adjacent to the Group's share of net profits of joint ventures and associates.

II. Differences between Actual Results and Previous Forecast for 2022/3

1. Differences

(JPY million)

	Revenue	Operating profit	Profit/(loss) before taxation	Profit/(loss) for the period	Profit/(loss) attributable to owners of parent	Earnings per share – basic
Previous forecast (A)	590,000	20,000	18,000	12,000	10,000	¥ 88.71
Actual (B)	600,568	19,980	11,859	6,759	4,134	¥ 24.07
Change (B-A)	10,568	(20)	(6,141)	(5,241)	(5,866)	¥ (64.64)
Change (%)	1.8	(0.1)	(34.1)	(43.7)	(58.7)	(72.9)
Ref: 2021/3	499,224	13,067	(17,171)	(16,316)	(16,930)	¥ (208.32)

[Note: The forecast of earnings per share has been shown after considering the effect of dividends related to Class A shares.]

2. Background

Profit/(loss) before tax, profit/(loss) for the period, and profit/(loss) attributable to owners of parent were lower than forecast due to the impact of the impairment loss of debt and equity investments in joint ventures and associates (approximately JPY6.8 billion in total) described in Section I above.

[Note: The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes and laws and regulations, but not limited.]