

Quarterly Consolidated Financial Statements

Three months ended June 30, 2018

For the 1Q of the fiscal year ending March 31, 2019



Quarterly Consolidated financial statements

i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	13,610	13,183
Notes and accounts receivable - trade	20,136	21,861
Merchandise and finished goods	6,997	7,058
Work in process	435	534
Raw materials and supplies	2,859	2,882
Other	1,148	1,132
Allowance for doubtful accounts	△87	△69
Total current assets	45,101	46,583
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,497	8,345
Machinery, equipment and vehicles, net	12,254	12,425
Tools, furniture and fixtures, net	766	968
Land	10,333	10,332
Construction in progress	857	644
Total property, plant and equipment	32,708	32,717
Intangible assets		
Other	1,712	1,651
Total intangible assets	1,712	1,651
Investments and other assets		
Investment securities	4,744	4,994
Shares of subsidiaries and associates	20,566	19,128
Net defined benefit asset	949	918
Other	711	757
Allowance for doubtful accounts	△25	△25
Total investments and other assets	26,945	25,772
Total non-current assets	61,366	60,141
Total assets	106,468	106,725

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,220	9,686
Short-term loans payable	6,858	6,449
Current portion of bonds	100	100
Income taxes payable	411	167
Provision for bonuses	600	344
Provision for directors' bonuses	15	3
Other	5,452	6,323
Total current liabilities	22,658	23,075
Non-current liabilities		
Bonds payable	1,600	1,550
Long-term loans payable	18,134	19,375
Lease obligations	1,298	1,472
Provision for environmental measures	33	25
Net defined benefit liability	3,158	3,160
Deferred tax liabilities	1,258	1,434
Other	695	700
Total non-current liabilities	26,179	27,718
Total liabilities	48,838	50,793
Net assets		
Shareholders' equity		
Capital stock	14,074	14,074
Capital surplus	16,697	16,697
Retained earnings	28,134	28,014
Treasury shares	△1,234	△1,234
Total shareholders' equity	57,672	57,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,870	2,047
Deferred gains or losses on hedges	13	72
Foreign currency translation adjustment	△1,214	△3,121
Remeasurements of defined benefit plans	△775	△680
Total accumulated other comprehensive income	△105	△1,682
Non-controlling interests	63	61
Total net assets	57,629	55,931
Total liabilities and net assets	106,468	106,725

ii) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

(Quarterly consolidated statements of income)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	18,126	18,129
Cost of sales	14,158	14,894
Gross profit	3,967	3,234
Selling, general and administrative expenses	3,019	3,081
Operating profit	947	152
Non-operating income		
Interest income	1	0
Dividend income	46	52
Share of profit of entities accounted for using equity method	306	261
Other	150	122
Total non-operating income	505	438
Non-operating expenses		
Interest expenses	124	100
Foreign exchange losses	35	70
Taxes and dues	29	28
Other	68	86
Total non-operating expenses	257	285
Ordinary profit	1,195	305
Extraordinary income		
Gain on sales of non-current assets	5	–
Gain on sales of investment securities	–	6
Total extraordinary income	5	6
Extraordinary losses		
Loss on sales of non-current assets	1	–
Loss on abandonment of non-current assets	1	4
compensation payment	278	–
Total extraordinary losses	281	4
Profit before income taxes	919	307
Income taxes - current	230	153
Income taxes - deferred	19	9
Total income taxes	249	162
Profit	669	144
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	667	142

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	669	144
Other comprehensive income		
Valuation difference on available-for-sale securities	△40	177
Deferred gains or losses on hedges	△87	59
Foreign currency translation adjustment	△153	△115
Remeasurements of defined benefit plans, net of tax	3	1
Share of other comprehensive income of entities accounted for using equity method	△904	△1,700
Total other comprehensive income	△1,183	△1,576
Comprehensive income	△513	△1,431
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△516	△1,433
Comprehensive income attributable to non-controlling interests	2	1

Segment information

I Three months ended June 30, 2017

1. Disclosure of net sales and profit/loss (Δ) for each reportable segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Amount recorded on the consolidated financial statements (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net Sales							
Net sales to external customers	12,923	1,642	2,536	1,023	18,126	–	18,126
Intersegment sales and transfers	1	130	2,702	1	2,836	Δ 2,836	–
Total	12,925	1,773	5,238	1,025	20,962	Δ 2,836	18,126
Segment profit/loss (Δ)	581	220	Δ 11	87	878	69	947

[Notes] (1) Segment profit/loss (Δ) adjustment of 69 million yen includes intersegment eliminations of 27 million yen and other adjustments of 42 million yen. Other adjustments include corporate expenses not attributable to reportable segments and adjustments of non-operating income/expenses recorded in reportable segments.

(2) Segment profit/loss (Δ) is adjusted with operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss of non-current assets and goodwill for each reportable segments

These items are not material so they are omitted.

II Three months ended June 30, 2018

1. Disclosure of net sales and profit/loss (Δ) for each reportable segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Amount recorded on the consolidated financial statements (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net Sales							
Net sales to external customers	12,061	1,915	2,825	1,326	18,129	–	18,129
Intersegment sales and transfers	0	125	2,673	2	2,801	Δ 2,801	–
Total	12,061	2,041	5,498	1,328	20,930	Δ 2,801	18,129
Segment profit/loss (Δ)	Δ 229	191	Δ 71	140	30	122	152

[Notes] (1) Segment profit/loss (Δ) adjustment of 122 million yen includes intersegment eliminations of 27 million yen and other adjustments of 95 million yen. Other adjustments include corporate expenses not attributable to reportable segments and adjustments of non-operating income/expenses recorded in reportable segments.

(2) Segment profit/loss (Δ) is adjusted with operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss of non-current assets and goodwill for each reportable segments

There is no applicable item.