

# *Financial Highlights 2015*

Year ended March 31 2015



## Consolidated financial statements, etc.

### Consolidated financial statements

#### i) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	8,853	14,843
Notes and accounts receivable - trade	19,815	19,947
Merchandise and finished goods	7,775	7,362
Work in process	397	269
Raw materials and supplies	2,616	2,443
Prepaid expenses	155	153
Deferred tax assets	804	437
Other	1,071	716
Allowance for doubtful accounts	(11)	(21)
Total current assets	41,477	46,152
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,138	30,863
Accumulated depreciation	(23,866)	(22,460)
Buildings and structures, net	8,272	8,402
Machinery, equipment and vehicles	73,960	70,731
Accumulated depreciation	(66,604)	(62,881)
Machinery, equipment and vehicles, net	7,355	7,850
Tools, furniture and fixtures	9,480	8,486
Accumulated depreciation	(8,772)	(7,826)
Tools, furniture and fixtures, net	708	660
Land	10,471	10,334
Construction in progress	462	1,492
Total property, plant and equipment	27,270	28,740
Intangible assets		
Goodwill	2,048	2,126
Other	1,766	2,009
Total intangible assets	3,814	4,136
Investments and other assets		
Investment securities	3,826	4,484
Shares of subsidiaries and associates	19,401	22,278
Investments in capital of subsidiaries and associates	20	20
Long-term loans receivable	1	2
Long-term prepaid expenses	50	15
Net defined benefit asset	541	1,198
Deferred tax assets	1,416	34
Other	495	443
Allowance for doubtful accounts	(43)	(29)
Total investments and other assets	25,710	28,447
Total non-current assets	56,795	61,323
<b>Total assets</b>	<b>98,273</b>	<b>107,476</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,147	8,075
Short-term loans payable	9,835	11,426
Current portion of bonds	–	1,100
Accounts payable - other	1,552	2,031
Income taxes payable	133	198
Accrued consumption taxes	183	674
Accrued expenses	1,227	937
Provision for bonuses	478	416
Provision for directors' bonuses	13	15
Provision for business structure improvement	1,235	50
Asset retirement obligations	97	–
Other	543	831
Total current liabilities	24,448	25,758
Non-current liabilities		
Bonds payable	1,000	400
Long-term loans payable	15,165	13,641
Provision for environmental measures	168	154
Net defined benefit liability	3,140	3,034
Deferred tax liabilities	386	1,478
Other	1,357	1,767
Total non-current liabilities	21,218	20,475
Total liabilities	45,667	46,234
<b>Net assets</b>		
Shareholders' equity		
Capital stock	14,074	14,074
Capital surplus	17,300	17,300
Retained earnings	22,093	27,023
Treasury shares	(1,225)	(1,227)
Total shareholders' equity	52,243	57,170
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	884	1,398
Deferred gains or losses on hedges	(102)	(205)
Foreign currency translation adjustment	(95)	3,139
Remeasurements of defined benefit plans	(953)	(791)
Total accumulated other comprehensive income	(267)	3,540
Minority interests	629	530
Total net assets	52,605	61,242
Total liabilities and net assets	98,273	107,476

ii) Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	71,887	70,161
Cost of sales	60,865	58,643
Gross profit	11,022	11,518
Selling, general and administrative expenses		
Haulage expenses	4,205	4,747
Traveling and transportation expenses	327	274
Provision of allowance for doubtful accounts	–	9
Employees' salaries	1,633	1,675
Provision for bonuses	149	138
Provision for directors' bonuses	13	15
Retirement benefit expenses	123	128
Welfare expenses	503	572
Rent expenses	194	174
Warehousing expenses	1,410	1,539
Taxes and dues	155	171
Supplies expenses	793	754
Depreciation	270	290
Other	1,988	1,875
Total selling, general and administrative expenses	11,768	12,368
Operating loss	(746)	(850)
Non-operating income		
Interest income	2	12
Dividend income	73	135
Rent income on facilities	76	73
Share of profit of entities accounted for using equity method	654	802
Compensation income	24	38
Other	181	517
Total non-operating income	1,014	1,580
Non-operating expenses		
Interest expenses	374	482
Depreciation	48	82
Taxes and dues	137	155
Other	297	219
Total non-operating expenses	857	940
Ordinary loss	(589)	(209)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
<b>Extraordinary income</b>		
Gain on sales of non-current assets	10	8,247
Gain on sales of investment securities	–	46
Reversal of provision for special repairs	3,541	–
Reversal of provision for business structure improvement	–	1,050
Reversal of asset retirement obligations	–	97
Other	–	180
<b>Total extraordinary income</b>	<b>3,551</b>	<b>9,621</b>
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	–	3
Loss on abandonment of non-current assets	51	193
Impairment loss	2,741	173
Compensation payment	–	9
Business structure improvement expenses	2,859	626
Loss on business withdrawal	71	–
Loss on abandonment of inventories	–	234
Environmental expenses	193	–
Other	–	81
<b>Total extraordinary losses</b>	<b>5,917</b>	<b>1,322</b>
Income (loss) before income taxes and minority interests	(2,955)	8,089
Income taxes - current	154	304
Income taxes - deferred	(352)	2,512
<b>Total income taxes</b>	<b>(198)</b>	<b>2,816</b>
Income (loss) before minority interests	(2,757)	5,272
Minority interests in loss	(96)	(146)
<b>Net income (loss)</b>	<b>(2,660)</b>	<b>5,419</b>

iii) Consolidated statements of changes in net assets  
Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,074	17,300	25,667	(1,222)	55,820
Cumulative effects of changes in accounting policies			–		–
Restated balance	14,074	17,300	25,667	(1,222)	55,820
Changes of items during period					
Dividends of surplus			(577)		(577)
Net income (loss)			(2,660)		(2,660)
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Change of scope of consolidation			(336)		(336)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	(3,574)	(2)	(3,577)
Balance at end of current period	14,074	17,300	22,093	(1,225)	52,243

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	661	(0)	(3,009)	–	(2,348)	47	53,519
Cumulative effects of changes in accounting policies							–
Restated balance	661	(0)	(3,009)	–	(2,348)	47	53,519
Changes of items during period							
Dividends of surplus							(577)
Net income (loss)							(2,660)
Purchase of treasury shares							(3)
Disposal of treasury shares							0
Change of scope of consolidation							(336)
Net changes of items other than shareholders' equity	222	(102)	2,914	(953)	2,081	582	2,663
Total changes of items during period	222	(102)	2,914	(953)	2,081	582	(913)
Balance at end of current period	884	(102)	(95)	(953)	(267)	629	52,605

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,074	17,300	22,093	(1,225)	52,243
Cumulative effects of changes in accounting policies			35		35
Restated balance	14,074	17,300	22,128	(1,225)	52,278
Changes of items during period					
Dividends of surplus			(524)		(524)
Net income (loss)			5,419		5,419
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(0)	4,894	(2)	4,892
Balance at end of current period	14,074	17,300	27,023	(1,227)	57,170

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	884	(102)	(95)	(953)	(267)	629	52,605
Cumulative effects of changes in accounting policies							35
Restated balance	884	(102)	(95)	(953)	(267)	629	52,641
Changes of items during period							
Dividends of surplus							(524)
Net income (loss)							5,419
Purchase of treasury shares							(2)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	514	(103)	3,234	161	3,808	(99)	3,708
Total changes of items during period	514	(103)	3,234	161	3,808	(99)	8,600
Balance at end of current period	1,398	(205)	3,139	(791)	3,540	530	61,242



## iv) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes and minority interests	(2,955)	8,089
Depreciation	3,687	3,214
Impairment loss	2,741	173
Share of (profit) loss of entities accounted for using equity method	(654)	(802)
Business structure improvement expenses	1,224	102
Loss on withdrawal from business	71	–
Increase (decrease) in allowance for doubtful accounts	(8)	(5)
Increase (decrease) in provision for special repairs	(3,541)	–
Increase (decrease) in net defined benefit liability	(263)	(147)
Increase (decrease) in provision for bonuses	(105)	(61)
Increase (decrease) in provision for directors' bonuses	0	2
Increase (decrease) in provision for business structure improvement	1,235	(1,185)
Increase (decrease) in provision for environmental measures	167	(14)
Loss on abandonment of property, plant and equipment	80	231
Loss (gain) on sales of property, plant and equipment	(10)	(8,243)
Amortization of goodwill	62	140
Interest and dividend income	(76)	(148)
Interest expenses	374	482
Decrease (increase) in notes and accounts receivable - trade	400	(31)
Decrease (increase) in inventories	(285)	754
Increase (decrease) in notes and accounts payable - trade	343	(873)
Other, net	(110)	(35)
Subtotal	2,377	1,642
Interest and dividend income received	341	577
Interest expenses paid	(370)	(555)
Income taxes paid	(418)	(228)
Income taxes refund	139	101
Net cash provided by (used in) operating activities	2,068	1,537
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,145)	(3,701)
Proceeds from sales of property, plant and equipment	331	8,846
Purchase of intangible assets	(43)	(238)
Purchase of investment securities	(15)	(5)
Proceeds from sales of investment securities	4	86
Payments for investments in capital of subsidiaries and associates resulting in change in scope of consolidation	(3,694)	–
Payments of loans receivable	(0)	(3)
Collection of loans receivable	5	2
Other payments	(53)	(35)
Other proceeds	31	37
Net cash provided by (used in) investing activities	(5,578)	4,989

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,985	2,049
Proceeds from long-term loans payable	12,700	1,830
Repayments of long-term loans payable	(10,500)	(4,115)
Proceeds from issuance of bonds	–	500
Decrease (increase) in treasury shares	(2)	(2)
Repayments of lease obligations	(159)	(295)
Cash dividends paid	(577)	(526)
Cash dividends paid to minority shareholders	(3)	(4)
Other payments	(19)	(12)
Net cash provided by (used in) financing activities	3,423	(576)
Effect of exchange rate change on cash and cash equivalents	80	40
Net increase (decrease) in cash and cash equivalents	(6)	5,990
Cash and cash equivalents at beginning of period	8,807	8,853
Increase in cash and cash equivalents from newly consolidated subsidiary	52	–
Cash and cash equivalents at end of period	8,853	14,843

## Segment information

### Segment information

#### 1. Description of reportable segments

The reportable segments of Nihon Yamamura Glass Co., Ltd. (“the Company”) are constituent components of the Nihon Yamamura Glass Group (“the Group”) about which separate financial information is available. These segments are regularly reviewed by the management decision making body in order to decide the allocation of business resources and assess performance.

The Group’s business activities include the production and sale of glass bottles, plastic containers, and new glass products, and in relation to these products, the design, manufacture, and sale of various equipment and plants, as well as transportation, storage, internal operations, and other related activities.

The Company organizes these business activities into four reportable segments: glass bottles business, plastic containers business, logistics business, and new glass business.

#### 2. Explanation of measurements of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method for reportable business segments is largely the same as the method for preparing consolidated financial statements.

The internal sales or transfer among segments are based on actual market prices.

#### 3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2014

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount recorded on the consolidated statements of income (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net sales							
Net sales to external customers	45,793	10,246	12,049	3,799	71,887	–	71,887
Intersegment sales and transfers	18	1,377	11,346	6	12,748	(12,748)	–
Total	45,811	11,623	23,395	3,805	84,636	(12,748)	71,887
Segment profit (loss)	(696)	(425)	95	75	(951)	205	(746)
Segment assets	56,946	9,760	5,510	5,662	77,880	20,392	98,273
Other items							
Depreciation	2,138	848	221	257	3,465	222	3,687
Amortization of goodwill	62	–	–	–	62	–	62
Extraordinary losses (Impairment loss) (Note 3)	547	2,521	831	28	3,928	–	3,928
Increase in property, plant and equipment and intangible assets (Note 4)	1,664	276	42	55	2,037	55	2,093

Fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount recorded on the consolidated statements of income (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net sales							
Net sales to external customers	46,904	8,176	10,918	4,162	70,161	–	70,161
Intersegment sales and transfers	38	869	11,470	6	12,384	(12,384)	–
Total	46,942	9,045	22,389	4,168	82,545	(12,384)	70,161
Segment profit (loss)	(1,002)	(386)	163	215	(1,010)	160	(850)
Segment assets	53,241	9,194	6,016	5,990	74,441	33,034	107,476
Other items							
Depreciation	2,153	401	190	215	2,960	253	3,214
Amortization of goodwill	140	–	–	–	140	–	140
Extraordinary losses (Impairment loss)	–	173	–	–	173	–	173
Increase in property, plant and equipment and intangible assets	4,550	242	12	117	4,923	(264)	4,659

Notes 1. The details of adjustment amounts are as follows:

(Millions of yen)

Net sales	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Elimination of intersegment transactions, etc.	(12,748)	(12,384)
Total	(12,748)	(12,384)

(Millions of yen)

Segment profit (loss)	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Elimination of intersegment transactions, etc.	150	154
Other adjustments*	54	5
Total	205	160

\* Other adjustments include corporate expenses not attributable to reportable segments and adjustments of non-operating income (loss) recorded in reportable segments.

(Millions of yen)

Segment assets	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Elimination of intersegment transactions, etc.	(16,041)	(13,108)
Corporate assets*	36,434	46,142
Total	20,392	33,034

\* Corporate assets refer mainly to assets of the entire Company not attributable to reportable segments.

(Millions of yen)

Depreciation	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Corporate assets*	222	253
Total	222	253

\* Corporate assets refer mainly to assets of the entire Company not attributable to reportable segments.

(Millions of yen)

Increase in property, plant and equipment and intangible assets	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Elimination of intersegment transactions, etc.	–	(1,028)
Corporate assets*	55	763
Total	55	(264)

\* Corporate assets refer mainly to assets of the entire Company not attributable to reportable segments.

2. Segment profit (loss) is adjusted with operating loss in the consolidated statements of income.
3. Included in the impairment loss recorded in the previous fiscal year was 1,158 million yen attributable to business structure improvement expenses of extraordinary loss and 28 million yen attributable to loss on withdrawal from business of extraordinary loss.
4. The increase in property, plant and equipment and intangible assets does not include the increase (decrease) of each asset resulting from the inclusion of new consolidated subsidiaries.