

# Quarterly Consolidated Financial Statements

For the first quarter (Q1) of the fiscal year ending March 31, 2020  
(April 1, 2019 – June 30, 2019)



## Quarterly Consolidated financial statements

### i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	13,114	13,758
Notes and accounts receivable - trade	19,568	20,326
Merchandise and finished goods	7,174	7,328
Work in process	224	296
Raw materials and supplies	2,838	2,928
Other	740	848
Allowance for doubtful accounts	△51	△50
Total current assets	43,609	45,436
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,022	7,912
Machinery, equipment and vehicles, net	13,894	13,801
Tools, furniture and fixtures, net	1,060	1,032
Land	10,332	10,332
Construction in progress	291	254
Total property, plant and equipment	33,600	33,333
Intangible assets		
Other	1,512	1,586
Total intangible assets	1,512	1,586
Investments and other assets		
Investment securities	3,410	3,017
Shares of subsidiaries and associates	21,457	20,606
Retirement benefit asset	860	857
Other	581	630
Allowance for doubtful accounts	△25	△25
Total investments and other assets	26,283	25,086
Total non-current assets	61,396	60,006
Total assets	105,006	105,443

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,210	8,520
Short-term borrowings	6,939	7,068
Current portion of bonds	100	50
Income taxes payable	360	178
Provision for bonuses	499	350
Provision for bonuses for directors (and other officers)	17	5
Other	5,727	5,453
Total current liabilities	21,855	21,626
Non-current liabilities		
Bonds payable	1,500	1,500
Long-term borrowings	20,099	21,189
Lease obligations	1,425	1,312
Provision for environmental measures	21	17
Retirement benefit liability	3,133	3,134
Deferred tax liabilities	1,034	990
Other	687	671
Total non-current liabilities	27,902	28,815
Total liabilities	49,758	50,442
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,697	16,697
Retained earnings	27,775	27,654
Treasury shares	△1,236	△1,236
Total shareholders' equity	57,311	57,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,258	982
Deferred gains or losses on hedges	△133	△178
Foreign currency translation adjustment	△2,715	△2,833
Remeasurements of defined benefit plans	△538	△521
Total accumulated other comprehensive income	△2,128	△2,551
Non-controlling interests	65	362
Total net assets	55,248	55,000
Total liabilities and net assets	105,006	105,443

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

(Millions of yen)

	Q1 of previous fiscal year April 1, 2018 - June 30, 2018	Q1 of current fiscal year April 1, 2019 - June 30, 2019
Net sales	18,129	17,659
Cost of sales	14,894	14,456
Gross profit	3,234	3,202
Selling, general and administrative expenses	3,081	2,907
Operating profit	152	295
Non-operating income		
Interest income	0	2
Dividend income	52	50
Share of profit of entities accounted for using equity method	261	307
Other	122	90
Total non-operating income	438	452
Non-operating expenses		
Interest expenses	100	101
Foreign exchange losses	70	16
Taxes and dues	28	28
Other	86	69
Total non-operating expenses	285	216
Ordinary profit	305	531
Extraordinary income		
Gain on sales of investment securities	6	–
Total extraordinary income	6	–
Extraordinary losses		
Loss on abandonment of non-current assets	4	–
compensation payment	–	46
Total extraordinary losses	4	46
Profit before income taxes	307	485
Income taxes - current	153	110
Income taxes - deferred	9	55
Total income taxes	162	165
Profit	144	319
Profit (loss) attributable to non-controlling interests	2	△18
Profit attributable to owners of parent	142	337

## (Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q1 of previous fiscal year April 1, 2018 - June 30, 2018	Q1 of current fiscal year April 1, 2019 - June 30, 2019
Profit	144	319
Other comprehensive income		
Valuation difference on available-for-sale securities	177	△275
Deferred gains or losses on hedges	59	△45
Foreign currency translation adjustment	△115	68
Remeasurements of defined benefit plans, net of tax	1	1
Share of other comprehensive income of entities accounted for using equity method	△1,700	△184
Total other comprehensive income	△1,576	△435
Comprehensive income	△1,431	△116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,433	△84
Comprehensive income attributable to non-controlling interests	1	△31

## Segment information

### I Q1 of previous fiscal year (April 1, 2018 - June 30, 2018)

#### 1. Disclosure of net sales and profit/loss ( $\Delta$ ) for each reportable segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Amount recorded on the quarterly 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	$\Delta$ 2,801	–
Total	12,061	2,041	5,498	1,328	20,930	$\Delta$ 2,801	18,129
Segment profit/loss ( $\Delta$ )	$\Delta$ 229	191	$\Delta$ 71	140	30	122	152

[Notes] (1) Segment profit/loss ( $\Delta$ ) 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 ( $\Delta$ ) 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.

### II Q1 of current fiscal year (April 1, 2019 - June 30, 2019)

#### 1. Disclosure of net sales and profit/loss ( $\Delta$ ) for each reportable segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Amount recorded on the quarterly consolidated financial statements (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net Sales							
Net sales to external customers	12,241	1,933	2,674	809	17,659	–	17,659
Intersegment sales and transfers	0	133	2,659	1	2,794	$\Delta$ 2,794	–
Total	12,242	2,067	5,333	811	20,454	$\Delta$ 2,794	17,659
Segment profit/loss ( $\Delta$ )	187	194	20	$\Delta$ 114	287	7	295

[Notes] (1) Segment profit/loss ( $\Delta$ ) adjustment of 7 million yen includes intersegment eliminations of 32 million yen and other adjustments of  $\Delta$ 25 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 ( $\Delta$ ) 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.

### **Significant Subsequent Event**

The Company decided to and entered into an investment agreement with Cambium Arglass LLC to establish Arglass Yamamura, LLC on August 7, 2019.

1. Purpose of establishment  
To develop glass bottle business in North America
2. Date of establishment  
August, 2019
3. Name of partner company  
Cambium Arglass LLC
4. Name and business description of established company
  - (1) Company name: Arglass Yamamura, LLC
  - (2) Business description: holding company
5. Name and business description of subsidiary of established company
  - (1) Company name: Arglass Southeast LLC
  - (2) Business description: manufacture and sale of glass bottles
6. The Company's investment amount, investment ratio, and voting rights ratio in established company
  - (1) Investment amount: 45 million USD
  - (2) Investment ratio: 75% is held by Nihon Yamamura Glass Co., Ltd.
  - (3) Voting rights ratio: 50% is held by Nihon Yamamura Glass Co., Ltd.