

Quarterly Consolidated Financial Statements

For the second quarter (Q2) of the fiscal year ending March 31, 2020

(Cumulative results for April 1, 2019 – September 30, 2019)



Quarterly Consolidated financial statements

i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	13,114	12,732
Notes and accounts receivable - trade	19,568	19,460
Merchandise and finished goods	7,174	7,822
Work in process	224	326
Raw materials and supplies	2,838	2,935
Other	740	997
Allowance for doubtful accounts	△51	△48
Total current assets	43,609	44,227
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,022	7,722
Machinery, equipment and vehicles, net	13,894	12,899
Tools, furniture and fixtures, net	1,060	1,014
Land	10,332	10,332
Construction in progress	291	497
Total property, plant and equipment	33,600	32,467
Intangible assets		
Other	1,512	1,491
Total intangible assets	1,512	1,491
Investments and other assets		
Investment securities	3,410	2,982
Shares of subsidiaries and associates	21,457	22,838
Retirement benefit asset	860	854
Other	581	751
Allowance for doubtful accounts	△25	△26
Total investments and other assets	26,283	27,401
Total non-current assets	61,396	61,360
Total assets	105,006	105,587

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,210	7,702
Short-term borrowings	6,939	9,475
Current portion of bonds	100	50
Income taxes payable	360	309
Provision for bonuses	499	619
Provision for bonuses for directors (and other officers)	17	9
Other	5,727	3,525
Total current liabilities	21,855	21,691
Non-current liabilities		
Bonds payable	1,500	1,500
Long-term borrowings	20,099	21,642
Lease obligations	1,425	1,186
Provision for environmental measures	21	17
Retirement benefit liability	3,133	3,137
Deferred tax liabilities	1,034	878
Other	687	650
Total non-current liabilities	27,902	29,012
Total liabilities	49,758	50,703
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,697	16,697
Retained earnings	27,775	27,744
Treasury shares	△1,236	△1,237
Total shareholders' equity	57,311	57,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,258	966
Deferred gains or losses on hedges	△133	△203
Foreign currency translation adjustment	△2,715	△3,005
Remeasurements of defined benefit plans	△538	△485
Total accumulated other comprehensive income	△2,128	△2,727
Non-controlling interests	65	332
Total net assets	55,248	54,883
Total liabilities and net assets	105,006	105,587

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

(Quarterly consolidated statements of income)

(Millions of yen)

	Q2 of previous fiscal year Cumulative results for April 1, 2018 – September 30, 2018	Q2 of current fiscal year Cumulative results for April 1, 2019 – September 30, 2019
Net sales	36,424	34,352
Cost of sales	29,850	28,163
Gross profit	6,573	6,189
Selling, general and administrative expenses	6,013	5,629
Operating profit	559	559
Non-operating income		
Interest income	2	7
Dividend income	61	52
Share of profit of entities accounted for using equity method	624	450
Other	213	191
Total non-operating income	903	701
Non-operating expenses		
Interest expenses	206	203
Foreign exchange losses	105	159
Taxes and dues	56	57
Other	144	174
Total non-operating expenses	512	594
Ordinary profit	950	666
Extraordinary income		
Gain on sales of non-current assets	5	2
Gain on sales of investment securities	6	–
Total extraordinary income	11	2
Extraordinary losses		
Loss on sales of non-current assets	54	–
Loss on abandonment of non-current assets	19	2
Compensation payment	–	46
Total extraordinary losses	73	49
Profit before income taxes	888	620
Income taxes - current	455	231
Income taxes - deferred	△42	△4
Total income taxes	413	227
Profit	474	392
Profit (loss) attributable to non-controlling interests	3	△37
Profit attributable to owners of parent	471	430

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q2 of previous fiscal year Cumulative results for April 1, 2018 – September 30, 2018	Q2 of current fiscal year Cumulative results for April 1, 2019 – September 30, 2019
Profit	474	392
Other comprehensive income		
Valuation difference on available-for-sale securities	27	△292
Deferred gains or losses on hedges	67	△70
Foreign currency translation adjustment	△118	△118
Remeasurements of defined benefit plans, net of tax	3	2
Share of other comprehensive income of entities accounted for using equity method	△1,416	△144
Total other comprehensive income	△1,436	△622
Comprehensive income	△962	△230
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△965	△168
Comprehensive income attributable to non-controlling interests	3	△61

iii) Quarterly consolidated statements of cash flows

(Millions of yen)

	Q2 of previous fiscal year Cumulative results for April 1, 2018 – September 30, 2018	Q2 of current fiscal year Cumulative results for April 1, 2019 – September 30, 2019
Cash flows from operating activities		
Profit before income taxes	888	620
Depreciation	2,144	2,384
Decrease (increase) in trade receivables	△1,630	△19
Increase (decrease) in trade payables	△382	△414
Decrease (increase) in inventories	153	△902
Other, net	△4	△577
Subtotal	1,168	1,090
Interest and dividends received	59	48
Interest paid	△213	△191
Income taxes paid	△358	△251
Income taxes refund	71	93
Net cash provided by (used in) operating activities	728	789
Cash flows from investing activities		
Net decrease (increase) in time deposits	107	100
Purchase of property, plant and equipment	△3,061	△3,062
Purchase of shares of subsidiaries and associates	△181	△2,052
Other, net	10	△459
Net cash provided by (used in) investing activities	△3,125	△5,473
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△1	2,259
Proceeds from long-term borrowings	5,200	3,800
Repayments of long-term borrowings	△1,969	△1,901
Proceeds from sale and leaseback transactions	510	–
Dividends paid	△262	△262
Other, net	△465	△478
Net cash provided by (used in) financing activities	3,010	3,417
Effect of exchange rate change on cash and cash equivalents	△36	△63
Net increase (decrease) in cash and cash equivalents	576	△1,330
Cash and cash equivalents at beginning of period	11,193	10,872
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	1,056
Cash and cash equivalents at end of period	11,769	10,598

Segment information

I Q2 of previous fiscal year (Cumulative results for April 1, 2018 - September 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 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	24,466	3,820	5,709	2,427	36,424	–	36,424
Intersegment sales and transfers	0	258	5,247	3	5,510	Δ 5,510	–
Total	24,467	4,078	10,957	2,431	41,934	Δ 5,510	36,424
Segment profit/loss (Δ)	Δ 201	384	Δ 61	235	357	202	559

[Notes] (1) Segment profit/loss (Δ) adjustment of 202 million yen includes intersegment eliminations of 57 million yen and other adjustments of 144 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 are no applicable items.

II Q2 of current fiscal year (Cumulative results for April 1, 2019 - September 30, 2019)

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 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	23,753	3,555	5,394	1,647	34,352	–	34,352
Intersegment sales and transfers	0	264	5,115	3	5,383	Δ 5,383	–
Total	23,754	3,820	10,509	1,651	39,735	Δ 5,383	34,352
Segment profit/loss (Δ)	228	241	30	Δ 184	315	243	559

[Notes] (1) Segment profit/loss (Δ) adjustment of 243 million yen includes intersegment eliminations of 57 million yen and other adjustments of 186 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 are no applicable items.