

# Quarterly Consolidated Financial Statements

For the first quarter (Q1) of the fiscal year ending March 31, 2022

(Cumulative results for April 1, 2021 – June 30, 2021)



## Quarterly consolidated financial statements

### i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	10,130	10,749
Notes and accounts receivable - trade	16,769	–
Notes and accounts receivable - trade, and contract assets	–	18,392
Merchandise and finished goods	6,211	6,199
Work in process	229	308
Raw materials and supplies	2,752	2,495
Other	985	1,048
Allowance for doubtful accounts	△52	△55
<b>Total current assets</b>	<b>37,026</b>	<b>39,137</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,323	7,275
Machinery, equipment and vehicles, net	13,023	12,966
Tools, furniture and fixtures, net	1,029	989
Land	10,332	10,332
Construction in progress	549	550
<b>Total property, plant and equipment</b>	<b>32,258</b>	<b>32,114</b>
Intangible assets		
Other	1,373	1,387
<b>Total intangible assets</b>	<b>1,373</b>	<b>1,387</b>
Investments and other assets		
Investment securities	3,403	3,238
Shares of subsidiaries and associates	18,599	19,453
Retirement benefit asset	998	1,007
Other	4,848	4,108
Allowance for doubtful accounts	△17	△17
<b>Total investments and other assets</b>	<b>27,832</b>	<b>27,789</b>
<b>Total non-current assets</b>	<b>61,464</b>	<b>61,292</b>
<b>Total assets</b>	<b>98,490</b>	<b>100,429</b>

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,438	6,988
Short-term borrowings	11,647	10,925
Income taxes payable	296	325
Provision for bonuses	514	418
Other	3,883	4,179
Total current liabilities	22,780	22,836
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	20,051	21,000
Lease obligations	716	658
Provision for environmental measures	3	3
Retirement benefit liability	2,993	2,991
Deferred tax liabilities	244	254
Other	2,121	2,133
Total non-current liabilities	27,129	28,042
Total liabilities	49,910	50,879
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,696	16,696
Retained earnings	21,045	20,395
Treasury shares	△1,564	△1,564
Total shareholders' equity	50,252	49,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,253	1,141
Deferred gains or losses on hedges	92	118
Foreign currency translation adjustment	△3,025	△1,248
Remeasurements of defined benefit plans	△351	△414
Total accumulated other comprehensive income	△2,029	△403
Non-controlling interests	357	351
Total net assets	48,580	49,550
Total liabilities and net assets	98,490	100,429

- 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 (Cumulative results for April 1, 2020 – June 30, 2020)	Q1 of current fiscal year (Cumulative results for April 1, 2021 – June 30, 2021)
Net sales	14,064	15,925
Cost of sales	12,241	12,574
Gross profit	1,822	3,350
Selling, general and administrative expenses	2,716	2,447
Operating profit (loss)	△893	903
Non-operating income		
Interest income	3	5
Dividend income	56	45
Subsidy income	0	54
Other	107	112
Total non-operating income	167	218
Non-operating expenses		
Interest expenses	118	77
Share of loss of entities accounted for using equity method	591	990
Taxes and dues	26	17
Other	265	119
Total non-operating expenses	1,001	1,204
Ordinary loss	△1,728	△82
Extraordinary income		
Gain on sale of non-current assets	3	–
Total extraordinary income	3	–
Extraordinary losses		
Loss on sale of non-current assets	2	–
Loss on abandonment of non-current assets	2	16
Total extraordinary losses	4	16
Loss before income taxes	△1,728	△99
Income taxes - current	128	308
Income taxes - deferred	△462	53
Total income taxes	△334	362
Loss	△1,394	△461
Loss attributable to non-controlling interests	△17	△15
Loss attributable to owners of parent	△1,376	△445

## (Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q1 of previous fiscal year (Cumulative results for April 1, 2020 – June 30, 2020)	Q1 of current fiscal year (Cumulative results for April 1, 2021 – June 30, 2021)
Loss	△1,394	△461
Other comprehensive income		
Valuation difference on available-for-sale securities	162	△113
Deferred gains or losses on hedges	199	25
Foreign currency translation adjustment	△164	562
Remeasurements of defined benefit plans, net of tax	5	18
Share of other comprehensive income of entities accounted for using equity method	△473	1,148
Total other comprehensive income	△270	1,642
Comprehensive income	△1,664	1,180
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,645	1,180
Comprehensive income attributable to non-controlling interests	△19	0

## **Changes in accounting policies**

### **(Application of the Accounting Standard for Revenue Recognition, etc.)**

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard"), etc. shall be applied from the beginning of the first quarter of the current fiscal year. Accordingly, when control of promised goods or services is transferred to the customer, revenue shall be recognized in an amount expected to be received in exchange for said goods or services. As a result, the Company has decided to recognize revenue on a pro rata basis over the term of the agreement for services that continue over a certain period of time.

The application of the Revenue Recognition Accounting Standard, etc. is in accordance with the transitional treatment stipulated in the provisions of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative amount of impact from retroactively applying the new accounting policy prior to the beginning of the first quarter of the current consolidated fiscal year shall be added to or subtracted from retained earnings at the beginning of the period, and the new accounting policy shall be applied from the balance at the beginning of the said period. However, applying the method set forth in paragraph 86 of the Revenue Recognition Accounting Standard, the new accounting policy has not been applied retrospectively to contracts which substantially all revenue amounts have been recognized in accordance with previous treatment prior to the beginning of the first quarter of the current consolidated fiscal year. In addition, applying the method stipulated in paragraph 86 of the Revenue Recognition Accounting Standards and paragraph (1), accounts processing has been done to the contract modifications made prior to the beginning of the period under review based on the contractual terms after reflecting all contract modifications.

As a result, there is no impact on the Company's quarterly consolidated financial statements because of this change. In addition, there is no cumulative impact as there are no corresponding transactions in retained earnings at the beginning of the fiscal year, and no adjustments are made to retained earnings at the beginning of the first quarter of the current consolidated fiscal year.

Due to the application of the Revenue Recognition Accounting Standards, etc., "notes and accounts receivable – trade," which had been presented under "current assets" in the consolidated balance sheets for the previous fiscal year, will be included in, and presented under, "notes and accounts receivable – trade, and contract assets" as of the period under review. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, the previous fiscal year has not been reclassified in accordance with the new presentation method. In addition, the breakdown of the revenue generated from contracts with customers is presented in the Segment Information to be described.

### **(Application of the Accounting Standard for Fair Value Measurement, etc.)**

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued July 4, 2019; hereinafter, "Fair Value Measurement Accounting Standard"), etc. shall be applied from the beginning of the first quarter of the current consolidated fiscal year and, in accordance with the transitional treatment stipulated in Fair Value Measurement Accounting Standard, Paragraph 19 and Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued July 4, 2019), Paragraph 44-2, new accounting policies stipulated in the Fair Value Measurement Accounting Standard, etc. shall be applied in the future. There is no impact on the Company's quarterly consolidated financial statements.

## Segment information

### I Q1 of previous fiscal year (Cumulative results for April 1, 2020 - June 30, 2020)

#### 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	8,921	1,547	2,636	958	14,064	–	14,064
Intersegment sales and transfers	0	169	2,093	1	2,265	$\Delta$ 2,265	–
Total	8,921	1,717	4,730	960	16,329	$\Delta$ 2,265	14,064
Segment profit/loss ( $\Delta$ )	$\Delta$ 1,174	$\Delta$ 14	80	$\Delta$ 1	$\Delta$ 1,110	216	$\Delta$ 893

[Notes] (1) Segment profit/loss ( $\Delta$ ) adjustment of 216 million yen includes intersegment eliminations of 18 million yen and other adjustments of 198 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 are no applicable items.

### II Q1 of current fiscal year (Cumulative results for April 1, 2021 - June 30, 2021)

#### 1. Disclosure of net sales, profit/loss ( $\Delta$ ) and revenue breakdown 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							
Revenue generated from contracts with customers	10,234	1,851	2,569	1,001	15,656	–	15,656
Other revenue	–	–	268	–	268	–	268
Net sales to external Customers	10,234	1,851	2,838	1,001	15,925	–	15,925
Intersegment sales and transfers	0	171	1,907	1	2,080	$\Delta$ 2,080	–
Total	10,234	2,022	4,745	1,002	18,005	$\Delta$ 2,080	15,925
Segment profit	273	264	257	67	863	40	903

[Notes] (1) Segment profit adjustment of 40 million yen includes intersegment eliminations of 27 million yen and other adjustments of 12 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 is adjusted with operating profit in the quarterly consolidated statements of income.

#### 2. Notes of changes in reportable segments

As stated in "Changes in accounting policies," the Revenue Recognition Accounting Standard, etc. has been applied from the beginning of the first quarter of the current consolidated fiscal year, and the accounting method for revenue recognition has been changed. As a result, the method of calculating profit or loss for business segments has also been changed.

There is no impact on the quarterly consolidated financial statements for the first quarter of the current fiscal year result from these changes.

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

There are no applicable items.