

Quarterly Consolidated Financial Statements

For the first quarter (Q1) of the fiscal year ending March 31, 2023

(Cumulative results for April 1, 2022 – June 30, 2022)



Quarterly consolidated financial statements

i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	11,129	9,636
Notes and accounts receivable - trade, and contract assets	17,950	19,392
Merchandise and finished goods	6,144	5,809
Work in process	449	436
Raw materials and supplies	2,502	1,971
Other	756	830
Allowance for doubtful accounts	△58	△6
Total current assets	38,874	38,069
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,168	5,715
Machinery, equipment and vehicles, net	12,486	9,452
Tools, furniture and fixtures, net	892	836
Land	11,005	11,006
Construction in progress	186	267
Total property, plant and equipment	31,738	27,277
Intangible assets		
Other	1,838	738
Total intangible assets	1,838	738
Investments and other assets		
Investment securities	2,533	2,496
Shares of subsidiaries and associates	19,246	20,427
Retirement benefit asset	960	932
Deferred tax assets	511	1,805
Other	1,927	2,244
Allowance for doubtful accounts	△265	△264
Total investments and other assets	24,914	27,642
Total non-current assets	58,492	55,659
Total assets	97,366	93,729

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,136	8,233
Short-term borrowings	11,318	12,347
Income taxes payable	350	243
Provision for bonuses	639	460
Provision for loss on business liquidation	4,757	–
Provision for product warranties	76	–
Other	5,262	5,789
Total current liabilities	29,542	27,074
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	20,577	19,119
Lease liabilities	784	700
Provision for environmental measures	3	3
Retirement benefit liability	2,989	3,007
Deferred tax liabilities	313	56
Other	1,941	1,691
Total non-current liabilities	27,609	25,579
Total liabilities	57,151	52,653
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,696	16,625
Retained earnings	11,224	12,161
Treasury shares	△1,565	△1,565
Total shareholders' equity	40,430	41,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	767	747
Deferred gains or losses on hedges	71	△10
Foreign currency translation adjustment	△1,305	△1,158
Remeasurements of defined benefit plans	△55	△63
Total accumulated other comprehensive income	△521	△484
Non-controlling interests	305	263
Total net assets	40,214	41,075
Total liabilities and net assets	97,366	93,729

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, 2021 – June 30, 2021)	Q1 of current fiscal year (Cumulative results for April 1, 2022 – June 30, 2022)
Net sales	15,925	17,200
Cost of sales	12,574	14,135
Gross profit	3,350	3,065
Selling, general and administrative expenses	2,447	2,707
Operating profit	903	357
Non-operating income		
Interest income	5	9
Dividend income	45	53
Foreign exchange gains	2	186
Other	165	131
Total non-operating income	218	381
Non-operating expenses		
Interest expenses	77	78
Share of loss of entities accounted for using equity method	990	448
Loss on valuation of derivatives	1	326
Taxes and dues	17	21
Other	117	235
Total non-operating expenses	1,204	1,110
Ordinary loss	△82	△371
Extraordinary income		
Gain on sale of non-current assets	–	17
Reversal of provision for loss on business liquidation	–	114
Total extraordinary income	–	132
Extraordinary losses		
Loss on sale of non-current assets	–	1
Loss on abandonment of non-current assets	16	–
Compensation payment	–	7
Total extraordinary losses	16	9
Loss before income taxes	△99	△248
Income taxes - current	308	169
Income taxes - deferred	53	△1,242
Total income taxes	362	△1,072
Profit (loss)	△461	823
Loss attributable to non-controlling interests	△15	△42
Profit (loss) attributable to owners of parent	△445	866

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q1 of previous fiscal year (Cumulative results for April 1, 2021 – June 30, 2021)	Q1 of current fiscal year (Cumulative results for April 1, 2022 – June 30, 2022)
Profit (loss)	△461	823
Other comprehensive income		
Valuation difference on available-for-sale securities	△113	△20
Deferred gains or losses on hedges	25	△81
Foreign currency translation adjustment	562	△814
Remeasurements of defined benefit plans, net of tax	18	△7
Share of other comprehensive income of entities accounted for using equity method	1,148	968
Total other comprehensive income	1,642	43
Comprehensive income	1,180	867
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,180	902
Comprehensive income attributable to non-controlling interests	0	△35

Segment information

I Q1 of previous fiscal year (Cumulative results for April 1, 2021 - June 30, 2021)

1. Disclosure of net sales, profit/loss (Δ) 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	Δ 2,080	–
Total	10,234	2,022	4,745	1,002	18,005	Δ 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. 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, 2022 - June 30, 2022)

1. Disclosure of net sales, profit/loss (Δ) 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	10,902	1,888	3,256	875	16,923	–	16,923
Other revenue	–	–	277	–	277	–	277
Net sales to external Customers	10,902	1,888	3,533	875	17,200	–	17,200
Intersegment sales and transfers	0	182	1,984	1	2,167	Δ 2,167	–
Total	10,903	2,070	5,517	876	19,368	Δ 2,167	17,200
Segment profit/loss (Δ)	42	117	73	Δ 24	208	149	357

[Notes] (1) Segment profit/loss (Δ) adjustment of 149 million yen includes intersegment eliminations of 27 million yen and other adjustments of 121 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 assets by reportable segment

In the first quarter of the current fiscal year, all of the interests in Yamamura Glass Qinhuangdao Co., Ltd. were sold, and the deemed sale date was set as the last day of the first quarter of the current fiscal year, and it has been removed from range of consolidation.

As a result, the amount of assets of the reportable segments in "Glass bottles business" for the first quarter of the current fiscal year decreased by 7.01 billion yen from the end of the previous fiscal year.

3. Information on impairment loss of non-current assets and goodwill for each reportable segments
There are no applicable items.

Significant Subsequent Event

Transfer of Significant Assets

The Company resolved at the July 14, 2022 Board of Directors meeting to transfer non-current assets as follows and entered into a purchase and sale agreement on the same date.

1. Reason for the transfer

Based on the business restructuring plan announced on June 3, 2022, with the aim of strengthening the financial base and improving capital efficiency, the property is to be transferred.

2. Overview of the assets to be transferred

Description and location of the assets	Gain on transfer	Use before transfer
Part of land with the following address, and some other land; 15-1, Nishimukojima-cho, Amagasaki, Hyogo Land: 16,695.53 m ² (Note 1)	Approx. 5 billion yen (Note 2)	Real estate for business use, etc.

[Notes] (1) Land area is based on tentative surveys and may fluctuate slightly.

(2) The transfer price and book value will be refrained from being announced due to the intention of the transferee.

3. Overview of the transferee

We will refrain from announcing the transferee due to its intention. There are no matters of special note between the transferee and us as a capital relationship, personal relationship, business relationship or related party.

4. Schedule of the transfer

Resolution by the Board of Directors and conclusion of contracts: July 14, 2022

Delivery of properties: March 2023 (planned)

5. Effect on profit or loss from the transfer of such non-current assets

As the time of delivery of the property is undetermined, the effect of the transfer of the non-current assets on the Group's performance for the current consolidated fiscal year has not been determined.