

# Financial Highlights 2018

Year ended March 31 2018



## Consolidated financial statements, etc.

### Consolidated financial statements

#### i) Consolidated balance sheets

(Millions of yen)

|   | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| Current assets  |                      |                      |
| Cash and deposits                                     | 14,374               | 13,610               |
| Notes and accounts receivable - trade                 | 19,959               | 20,136               |
| Merchandise and finished goods                        | 6,680                | 6,997                |
| Work in process                                       | 380                  | 435                  |
| Raw materials and supplies                            | 2,873                | 2,859                |
| Prepaid expenses                                      | 138                  | 153                  |
| Deferred tax assets                                   | 376                  | 298                  |
| Other   | 1,171                | 995                  |
| Allowance for doubtful accounts                       | (85)                 | (87)                 |
| Total current assets                                  | 45,869               | 45,399               |
| Non-current assets                                    |                      |                      |
| Property, plant and equipment                         |                      |                      |
| Buildings and structures                              | 31,315               | 31,980               |
| Accumulated depreciation                              | (23,013)             | (23,482)             |
| Buildings and structures, net                         | 8,301                | 8,497                |
| Machinery, equipment and vehicles                     | 74,943               | 76,388               |
| Accumulated depreciation                              | (63,112)             | (64,133)             |
| Machinery, equipment and vehicles, net                | 11,830               | 12,254               |
| Tools, furniture and fixtures                         | 8,408                | 8,553                |
| Accumulated depreciation                              | (7,643)              | (7,787)              |
| Tools, furniture and fixtures, net                    | 764                  | 766                  |
| Land  | 10,333               | 10,333               |
| Construction in progress                              | 420                  | 857                  |
| Total property, plant and equipment                   | 31,651               | 32,708               |
| Intangible assets                                     |                      |                      |
| Goodwill  | 1,569                | –                    |
| Other   | 1,693                | 1,712                |
| Total intangible assets                               | 3,263                | 1,712                |
| Investments and other assets                          |                      |                      |
| Investment securities                                 | 4,805                | 4,744                |
| Shares of subsidiaries and associates                 | 20,493               | 20,566               |
| Investments in capital of subsidiaries and associates | 20                   | 20                   |
| Long-term loans receivable                            | 5                    | 3                    |
| Long-term prepaid expenses                            | 100                  | 79                   |
| Net defined benefit asset                             | 1,013                | 949                  |
| Deferred tax assets                                   | 47                   | 97                   |
| Other   | 368                  | 423                  |
| Allowance for doubtful accounts                       | (26)                 | (25)                 |
| Total investments and other assets                    | 26,828               | 26,858               |
| Total non-current assets                              | 61,743               | 61,279               |
| <b>Total assets</b>                                   | <b>107,613</b>       | <b>106,679</b>       |

(Millions of yen)

|   | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                                    |                      |                      |
| Current liabilities                                   |                      |                      |
| Notes and accounts payable - trade                    | 7,962                | 9,220                |
| Short-term loans payable                              | 10,335               | 6,858                |
| Current portion of bonds                              | 100                  | 100                  |
| Accounts payable - other                              | 3,174                | 3,271                |
| Income taxes payable                                  | 762                  | 411                  |
| Accrued consumption taxes                             | 543                  | 202                  |
| Accrued expenses                                      | 848                  | 786                  |
| Provision for bonuses                                 | 617                  | 600                  |
| Provision for directors' bonuses                      | 15                   | 15                   |
| Other   | 1,344                | 1,192                |
| Total current liabilities                             | 25,705               | 22,659               |
| Non-current liabilities                               |                      |                      |
| Bonds payable   | 1,700                | 1,600                |
| Long-term loans payable                               | 15,032               | 18,134               |
| Lease obligations                                     | 1,222                | 1,298                |
| Provision for environmental measures                  | 38                   | 33                   |
| Net defined benefit liability                         | 3,138                | 3,158                |
| Deferred tax liabilities                              | 1,670                | 1,469                |
| Other   | 701                  | 695                  |
| Total non-current liabilities                         | 23,504               | 26,390               |
| Total liabilities                                     | 49,209               | 49,049               |
| Net assets  |                      |                      |
| Shareholders' equity                                  |                      |                      |
| Capital stock   | 14,074               | 14,074               |
| Capital surplus                                       | 16,697               | 16,697               |
| Retained earnings                                     | 28,528               | 28,134               |
| Treasury shares                                       | (1,232)              | (1,234)              |
| Total shareholders' equity                            | 58,068               | 57,672               |
| Accumulated other comprehensive income                |                      |                      |
| Valuation difference on available-for-sale securities | 1,794                | 1,870                |
| Deferred gains or losses on hedges                    | (75)                 | 13                   |
| Foreign currency translation adjustment               | (709)                | (1,214)              |
| Remeasurements of defined benefit plans               | (732)                | (775)                |
| Total accumulated other comprehensive income          | 276                  | (105)                |
| Non-controlling interests                             | 58                   | 63                   |
| Total net assets                                      | 58,403               | 57,629               |
| Total liabilities and net assets                      | 107,613              | 106,679              |

ii) Consolidated statements of income

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 68,772                              | 70,360                              |
| Cost of sales   | 55,088                              | 56,959                              |
| Gross profit  | 13,683                              | 13,400                              |
| Selling, general and administrative expenses                  |                                     |                                     |
| Haulage expenses  | 4,370                               | 4,547                               |
| Traveling and transportation expenses                         | 320                                 | 316                                 |
| Provision of allowance for doubtful accounts                  | 44                                  | 2                                   |
| Employees' salaries   | 1,716                               | 1,731                               |
| Provision for bonuses   | 184                                 | 170                                 |
| Provision for directors' bonuses                              | 15                                  | 15                                  |
| Retirement benefit expenses                                   | 98                                  | 113                                 |
| Welfare expenses  | 622                                 | 670                                 |
| Rent expenses   | 214                                 | 204                                 |
| Warehousing expenses  | 1,051                               | 1,090                               |
| Taxes and dues  | 326                                 | 313                                 |
| Supplies expenses   | 924                                 | 702                                 |
| Depreciation  | 258                                 | 266                                 |
| Other   | 2,099                               | 1,970                               |
| Total selling, general and administrative expenses            | 12,249                              | 12,115                              |
| Operating profit  | 1,433                               | 1,284                               |
| Non-operating income  |                                     |                                     |
| Interest income   | 5                                   | 8                                   |
| Dividend income   | 92                                  | 77                                  |
| Rent income on facilities                                     | 49                                  | 48                                  |
| Share of profit of entities accounted for using equity method | 1,137                               | 1,293                               |
| Compensation income   | 68                                  | 80                                  |
| Other   | 357                                 | 438                                 |
| Total non-operating income                                    | 1,711                               | 1,946                               |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 442                                 | 463                                 |
| Depreciation  | 106                                 | 89                                  |
| Taxes and dues  | 361                                 | 133                                 |
| Other   | 354                                 | 375                                 |
| Total non-operating expenses                                  | 1,264                               | 1,062                               |
| Ordinary profit   | 1,880                               | 2,168                               |
| Extraordinary income  |                                     |                                     |
| Gain on sales of non-current assets                           | 6                                   | 13                                  |
| Gain on sales of investment securities                        | 427                                 | 420                                 |
| Total extraordinary income                                    | 434                                 | 433                                 |
| Extraordinary losses  |                                     |                                     |
| Loss on sales of non-current assets                           | 30                                  | 1                                   |
| Loss on abandonment of non-current assets                     | 80                                  | 100                                 |
| Loss on valuation of shares of subsidiaries and associates    | –                                   | 40                                  |
| Impairment loss   | –                                   | 92                                  |
| Amortization of goodwill                                      | –                                   | 1,465                               |
| Compensation payment  | 165                                 | 278                                 |
| Total extraordinary losses                                    | 276                                 | 1,980                               |

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Profit before income taxes                              | 2,038                               | 622                                 |
| Income taxes - current                                  | 898                                 | 729                                 |
| Income taxes - deferred                                 | (223)                               | (252)                               |
| Total income taxes                                      | 675                                 | 476                                 |
| Profit  | 1,362                               | 145                                 |
| Profit (loss) attributable to non-controlling interests | (54)                                | 15                                  |
| Profit attributable to owners of parent                 | 1,416                               | 130                                 |

iii) Consolidated statements of changes in net assets  
Fiscal year ended March 31, 2017

(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          | 27,637            | (1,230)         | 57,782                     |
| Changes of items during period  |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (524)             |                 | (524)                      |
| Profit attributable to owners of parent   |                      |                 | 1,416             |                 | 1,416                      |
| Purchase of treasury shares   |                      |                 |                   | (2)             | (2)                        |
| Disposal of treasury shares   |                      | (0)             |                   | 0               | 0                          |
| Change of scope of consolidation  |                      |                 | (0)               |                 | (0)                        |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (603)           |                   |                 | (603)                      |
| Net changes of items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes of items during period  | –                    | (603)           | 891               | (2)             | 285                        |
| Balance at end of current period  | 14,074               | 16,697          | 28,528            | (1,232)         | 58,068                     |

|   | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling 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  | 1,401   | (263)                              | 1,498                                   | (933)                                   | 1,701  | 462                       | 59,946           |
| Changes of items during period  |   |                                    |   |   |  |                           |                  |
| Dividends of surplus  |   |                                    |   |   |  |                           | (524)            |
| Profit attributable to owners of parent   |   |                                    |   |   |  |                           | 1,416            |
| Purchase of treasury shares   |   |                                    |   |   |  |                           | (2)              |
| Disposal of treasury shares   |   |                                    |   |   |  |                           | 0                |
| Change of scope of consolidation  |   |                                    |   |   |  |                           | (0)              |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |                                    |   |   |  |                           | (603)            |
| Net changes of items other than shareholders' equity                                      | 393   | 188                                | (2,207)                                 | 200                                     | (1,424)                                      | (404)                     | (1,828)          |
| Total changes of items during period  | 393   | 188                                | (2,207)                                 | 200                                     | (1,424)                                      | (404)                     | (1,542)          |
| Balance at end of current period  | 1,794   | (75)                               | (709)                                   | (732)                                   | 276  | 58                        | 58,403           |

Fiscal year ended March 31, 2018

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period  | 14,074               | 16,697          | 28,528            | (1,232)         | 58,068                     |
| Changes of items during period  |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (524)             |                 | (524)                      |
| Profit attributable to owners of parent   |                      |                 | 130               |                 | 130                        |
| Purchase of treasury shares   |                      |                 |                   | (1)             | (1)                        |
| Disposal of treasury shares   |                      | –               |                   | –               | –                          |
| Change of scope of consolidation  |                      |                 | –                 |                 | –                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | –               |                   |                 | –                          |
| Net changes of items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes of items during period  | –                    | –               | (394)             | (1)             | (396)                      |
| Balance at end of current period  | 14,074               | 16,697          | 28,134            | (1,234)         | 57,672                     |

|   | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling 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  | 1,794   | (75)                               | (709)                                   | (732)                                   | 276  | 58                        | 58,403           |
| Changes of items during period  |   |                                    |   |   |  |                           |                  |
| Dividends of surplus  |   |                                    |   |   |  |                           | (524)            |
| Profit attributable to owners of parent   |   |                                    |   |   |  |                           | 130              |
| Purchase of treasury shares   |   |                                    |   |   |  |                           | (1)              |
| Disposal of treasury shares   |   |                                    |   |   |  |                           | –                |
| Change of scope of consolidation  |   |                                    |   |   |  |                           | –                |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |                                    |   |   |  |                           | –                |
| Net changes of items other than shareholders' equity                                      | 76  | 88                                 | (505)                                   | (42)                                    | (382)  | 4                         | (377)            |
| Total changes of items during period  | 76  | 88                                 | (505)                                   | (42)                                    | (382)  | 4                         | (773)            |
| Balance at end of current period  | 1,870   | 13                                 | (1,214)                                 | (775)                                   | (105)  | 63                        | 57,629           |



## iv) Consolidated statements of cash flows

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|--|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                          |                                     |                                     |
| Profit before income taxes   | 2,038                               | 622                                 |
| Depreciation   | 3,975                               | 4,241                               |
| Impairment loss  | –                                   | 92                                  |
| Share of loss (profit) of entities accounted for using equity method | (1,137)                             | (1,293)                             |
| Increase (decrease) in allowance for doubtful accounts               | 25                                  | (0)                                 |
| Increase (decrease) in net defined benefit liability                 | (92)                                | 19                                  |
| Increase (decrease) in provision for bonuses                         | 30                                  | (17)                                |
| Increase (decrease) in provision for directors' bonuses              | 0                                   | 0                                   |
| Increase (decrease) in provision for environmental measures          | 4                                   | (5)                                 |
| Loss on abandonment of property, plant and equipment                 | 93                                  | 107                                 |
| Loss (gain) on sales of property, plant and equipment                | 23                                  | (11)                                |
| Loss (gain) on sales of investment securities                        | (427)                               | (420)                               |
| Loss on valuation of shares of subsidiaries and associates           | –                                   | 40                                  |
| Amortization of goodwill   | 133                                 | 1,532                               |
| Interest and dividend income   | (97)                                | (85)                                |
| Interest expenses  | 442                                 | 463                                 |
| Decrease (increase) in notes and accounts receivable - trade         | (338)                               | (133)                               |
| Decrease (increase) in inventories                                   | (356)                               | (305)                               |
| Increase (decrease) in notes and accounts payable - trade            | (1,034)                             | 1,155                               |
| Other, net   | 716                                 | 340                                 |
| Subtotal   | 3,997                               | 6,344                               |
| Interest and dividend income received                                | 601                                 | 508                                 |
| Interest expenses paid   | (460)                               | (469)                               |
| Income taxes paid  | (660)                               | (1,046)                             |
| Income taxes refund  | 3                                   | 28                                  |
| Net cash provided by (used in) operating activities                  | 3,480                               | 5,365                               |
| <b>Cash flows from investing activities</b>                          |                                     |                                     |
| Net decrease (increase) in time deposits                             | (447)                               | (121)                               |
| Purchase of property, plant and equipment                            | (5,626)                             | (4,256)                             |
| Proceeds from sales of property, plant and equipment                 | 20                                  | 20                                  |
| Purchase of intangible assets  | (190)                               | (90)                                |
| Purchase of investment securities                                    | (3)                                 | (6)                                 |
| Proceeds from sales of investment securities                         | 659                                 | 573                                 |
| Payments of loans receivable   | (2)                                 | (0)                                 |
| Collection of loans receivable                                       | 2                                   | 2                                   |
| Other payments   | (30)                                | (85)                                |
| Other proceeds   | 19                                  | 9                                   |
| Net cash provided by (used in) investing activities                  | (5,598)                             | (3,953)                             |

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from financing activities</b>   |                                     |                                     |
| Net increase (decrease) in short-term loans payable   | (2,070)                             | 1,557                               |
| Proceeds from long-term loans payable   | 7,407                               | 2,800                               |
| Repayments of long-term loans payable   | (2,165)                             | (4,837)                             |
| Redemption of bonds   | (100)                               | (100)                               |
| Decrease (increase) in treasury shares  | (2)                                 | (1)                                 |
| Repayments of lease obligations   | (653)                               | (1,039)                             |
| Proceeds from sales and leasebacks  | 1,124                               | –                                   |
| Cash dividends paid   | (524)                               | (525)                               |
| Dividends paid to non-controlling interests   | (3)                                 | (3)                                 |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (865)                               | –                                   |
| Other payments  | (28)                                | (74)                                |
| Net cash provided by (used in) financing activities   | 2,117                               | (2,225)                             |
| Effect of exchange rate change on cash and cash equivalents   | (153)                               | (76)                                |
| Net increase (decrease) in cash and cash equivalents  | (154)                               | (890)                               |
| Cash and cash equivalents at beginning of period  | 12,217                              | 12,083                              |
| Increase in cash and cash equivalents from newly consolidated subsidiary  | 20                                  | –                                   |
| Cash and cash equivalents at end of period  | 12,083                              | 11,193                              |

## 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, 2017

(Millions of yen)

|   | Reportable segments          |                                   |                       |                       |        | Adjustment<br>(Note 1) | Amount<br>recorded on<br>the<br>consolidated<br>financial<br>statements<br>(Note 2) |
|---|------------------------------|-----------------------------------|-----------------------|-----------------------|--------|------------------------|---|
|   | Glass<br>bottles<br>business | Plastic<br>containers<br>business | Logistics<br>business | New glass<br>business | Total  |                        |   |
| Net sales   |                              |                                   |                       |                       |        |                        |   |
| Net sales to external<br>customers                                    | 48,648                       | 5,856                             | 9,625                 | 4,642                 | 68,772 | –                      | 68,772  |
| Intersegment sales and<br>transfers                                   | 2                            | 441                               | 10,629                | 7                     | 11,079 | (11,079)               | –   |
| Total   | 48,650                       | 6,297                             | 20,254                | 4,650                 | 79,852 | (11,079)               | 68,772  |
| Segment profit  | 267                          | 495                               | 69                    | 267                   | 1,100  | 332                    | 1,433   |
| Segment assets  | 57,459                       | 9,674                             | 6,106                 | 6,313                 | 79,555 | 28,058                 | 107,613   |
| Other items   |                              |                                   |                       |                       |        |                        |   |
| Depreciation  | 2,968                        | 334                               | 151                   | 269                   | 3,722  | 253                    | 3,975   |
| Amortization of goodwill<br>(Note 3)                                  | 133                          | –                                 | –                     | –                     | 133    | –                      | 133   |
| Increase in property,<br>plant and equipment and<br>intangible assets | 4,695                        | 383                               | 106                   | 195                   | 5,380  | 172                    | 5,552   |

Fiscal year ended March 31, 2018

(Millions of yen)

|   | Reportable segments          |                                   |                       |                       |        | Adjustment<br>(Note 1) | Amount<br>recorded on<br>the<br>consolidated<br>financial<br>statements<br>(Note 2) |
|---|------------------------------|-----------------------------------|-----------------------|-----------------------|--------|------------------------|---|
|   | Glass<br>bottles<br>business | Plastic<br>containers<br>business | Logistics<br>business | New glass<br>business | Total  |                        |   |
| Net sales   |                              |                                   |                       |                       |        |                        |   |
| Net sales to external<br>customers                                    | 49,282                       | 5,999                             | 10,407                | 4,669                 | 70,360 | –                      | 70,360  |
| Intersegment sales and<br>transfers                                   | 4                            | 438                               | 10,449                | 6                     | 10,898 | (10,898)               | –   |
| Total   | 49,287                       | 6,438                             | 20,857                | 4,676                 | 81,259 | (10,898)               | 70,360  |
| Segment profit  | 305                          | 511                               | 116                   | 402                   | 1,336  | (51)                   | 1,284   |
| Segment assets  | 51,455                       | 10,321                            | 6,429                 | 6,681                 | 74,887 | 31,791                 | 106,679   |
| Other items   |                              |                                   |                       |                       |        |                        |   |
| Depreciation  | 3,176                        | 396                               | 209                   | 226                   | 4,008  | 232                    | 4,241   |
| Amortization of goodwill<br>(Note 3)                                  | 1,532                        | –                                 | –                     | –                     | 1,532  | –                      | 1,532   |
| Extraordinary losses<br>(Impairment loss)                             | 92                           | –                                 | –                     | –                     | 92     | –                      | 92  |
| Increase in property,<br>plant and equipment and<br>intangible assets | 3,725                        | 417                               | 71                    | 133                   | 4,348  | 68                     | 4,417   |

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

(Millions of yen)

| Net sales   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Elimination of intersegment<br>transactions, etc. | (11,079)                            | (10,898)                            |
| Total   | (11,079)                            | (10,898)                            |

(Millions of yen)

| Segment profit                                    | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Elimination of intersegment<br>transactions, etc. | 126                                 | 106                                 |
| Other adjustments*                                | 206                                 | (157)                               |
| Total   | 332                                 | (51)                                |

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

(Millions of yen)

| Segment assets                                    | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Elimination of intersegment<br>transactions, etc. | (17,948)                            | (10,479)                            |
| Corporate assets*                                 | 46,006                              | 42,271                              |
| Total   | 28,058                              | 31,791                              |

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

(Millions of yen)

| Depreciation      | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|-------------------|-------------------------------------|-------------------------------------|
| Corporate assets* | 253                                 | 232                                 |
| Total             | 253                                 | 232                                 |

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

(Millions of yen)

| Increase in property, plant and<br>equipment and intangible<br>assets | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Elimination of intersegment<br>transactions, etc.                     | –                                   | –                                   |
| Corporate assets*   | 172                                 | 68                                  |
| Total   | 172                                 | 68                                  |

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

2. Segment profit is adjusted with operating profit in the consolidated statements of income.
3. Amortization of goodwill includes “amortization of goodwill” under extraordinary losses.