

# Consolidated Financial Statements

For the fiscal year ended March 31, 2020

(Cumulative results for April 1, 2019 – March 31, 2020)



## Consolidated financial statements

### i) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	13,114	13,308
Notes and accounts receivable - trade	19,568	19,682
Merchandise and finished goods	7,174	7,379
Work in process	224	285
Raw materials and supplies	2,838	2,797
Prepaid expenses	140	152
Other	599	787
Allowance for doubtful accounts	△51	△48
Total current assets	43,609	44,346
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,086	32,221
Accumulated depreciation	△24,064	△24,620
Buildings and structures, net	8,022	7,601
Machinery, equipment and vehicles	79,366	80,200
Accumulated depreciation	△65,472	△66,548
Machinery, equipment and vehicles, net	13,894	13,651
Tools, furniture and fixtures	9,010	9,212
Accumulated depreciation	△7,949	△8,214
Tools, furniture and fixtures, net	1,060	997
Land	10,332	10,332
Construction in progress	291	583
Total property, plant and equipment	33,600	33,167
Intangible assets		
Other	1,512	1,487
Total intangible assets	1,512	1,487
Investments and other assets		
Investment securities	3,410	2,658
Shares of subsidiaries and associates	21,457	19,525
Investments in capital of subsidiaries and associates	20	4,861
Long-term loans receivable	2	715
Long-term prepaid expenses	45	121
Retirement benefit asset	860	731
Deferred tax assets	103	173
Other	409	404
Allowance for doubtful accounts	△25	△17
Total investments and other assets	26,283	29,174
Total non-current assets	61,396	63,829
<b>Total assets</b>	<b>105,006</b>	<b>108,175</b>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,210	7,427
Short-term borrowings	6,939	14,851
Current portion of bonds payable	100	1,500
Accounts payable - other	3,499	2,816
Income taxes payable	360	280
Accrued consumption taxes	231	496
Accrued expenses	777	814
Provision for bonuses	499	490
Provision for bonuses for directors (and other officers)	17	16
Other	1,218	1,537
<b>Total current liabilities</b>	<b>21,855</b>	<b>30,232</b>
Non-current liabilities		
Bonds payable	1,500	–
Long-term borrowings	20,099	19,223
Lease obligations	1,425	925
Provision for environmental measures	21	9
Retirement benefit liability	3,133	3,173
Deferred tax liabilities	1,034	346
Other	687	763
<b>Total non-current liabilities</b>	<b>27,902</b>	<b>24,442</b>
<b>Total liabilities</b>	<b>49,758</b>	<b>54,675</b>
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,697	16,696
Retained earnings	27,775	26,818
Treasury shares	△1,236	△1,564
<b>Total shareholders' equity</b>	<b>57,311</b>	<b>56,026</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,258	725
Deferred gains or losses on hedges	△133	△486
Foreign currency translation adjustment	△2,715	△2,394
Remeasurements of defined benefit plans	△538	△684
<b>Total accumulated other comprehensive income</b>	<b>△2,128</b>	<b>△2,839</b>
Non-controlling interests	65	312
<b>Total net assets</b>	<b>55,248</b>	<b>53,499</b>
<b>Total liabilities and net assets</b>	<b>105,006</b>	<b>108,175</b>

ii) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated statements of income)

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2018 – March 31, 2019	Current fiscal year Cumulative results for April 1, 2019 – March 31, 2020
Net sales	70,251	67,372
Cost of sales	58,154	55,753
Gross profit	12,096	11,618
Selling, general and administrative expenses		
Transportation costs	4,524	4,110
Travel and transportation expenses	289	269
Provision of allowance for doubtful accounts	–	0
Employees' salaries	1,822	1,802
Provision for bonuses	140	137
Provision for bonuses for directors (and other officers)	17	16
Retirement benefit expenses	97	103
Welfare expenses	562	563
Rent expenses	189	212
Storage costs	1,047	1,029
Taxes and dues	318	284
Supplies expenses	635	753
Depreciation	272	269
Other	1,896	1,814
Total selling, general and administrative expenses	11,813	11,368
Operating profit	282	250
Non-operating income		
Interest income	8	12
Dividend income	83	202
Rental income from facilities	61	89
Share of profit of entities accounted for using equity method	1,138	302
Compensation income	26	236
Other	434	289
Total non-operating income	1,754	1,132
Non-operating expenses		
Interest expenses	422	439
Foreign exchange losses	278	146
Depreciation	73	79
Taxes and dues	131	114
Other	252	459
Total non-operating expenses	1,158	1,239
Ordinary profit	878	143

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2018 – March 31, 2019	Current fiscal year Cumulative results for April 1, 2019 – March 31, 2020
Extraordinary income		
Gain on sales of non-current assets	11	1
Gain on sales of investment securities	212	–
Total extraordinary income	224	1
Extraordinary losses		
Loss on sales of non-current assets	53	26
Loss on abandonment of non-current assets	94	98
Loss on sales of investment securities	–	1
Loss on sales of shares of subsidiaries and associates	–	110
Compensation payment	–	46
Total extraordinary losses	147	282
Profit (loss) before income taxes	955	△137
Income taxes - current	544	461
Income taxes - deferred	237	△378
Total income taxes	782	82
Profit (loss)	172	△219
Profit (loss) attributable to non-controlling interests	6	△68
Profit (loss) attributable to owners of parent	166	△151

## (Consolidated statements of comprehensive income)

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2018 – March 31, 2019	Current fiscal year Cumulative results for April 1, 2019 – March 31, 2020
Profit (loss)	172	△219
Other comprehensive income		
Valuation difference on available-for-sale securities	△612	△533
Deferred gains or losses on hedges	△146	△353
Foreign currency translation adjustment	△208	14
Remeasurements of defined benefit plans, net of tax	△2	△112
Share of other comprehensive income of entities accounted for using equity method	△1,053	261
Total other comprehensive income	△2,023	△723
Comprehensive income	△1,850	△943
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,856	△861
Comprehensive income attributable to non-controlling interests	6	△81

iii) Consolidated statement of changes in shareholders' equity

Previous fiscal year (Cumulative results for April 1, 2018 – March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,074	16,697	28,134	△1,234	57,672
Changes during period					
Dividends of surplus			△524		△524
Profit attributable to owners of parent			166		166
Purchase of treasury shares				△2	△2
Disposal of treasury shares		△0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	△0	△358	△2	△361
Balance at end of period	14,074	16,697	27,775	△1,236	57,311

	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 period	1,870	13	△1,214	△775	△105	63	57,629
Changes during period							
Dividends of surplus							△524
Profit attributable to owners of parent							166
Purchase of treasury shares							△2
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	△611	△146	△1,500	236	△2,022	2	△2,020
Total changes during period	△611	△146	△1,500	236	△2,022	2	△2,381
Balance at end of period	1,258	△133	△2,715	△538	△2,128	65	55,248

Current fiscal year (Cumulative results for April 1, 2019 – March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,074	16,697	27,775	△1,236	57,311
Cumulative effects of changes in accounting policies			△231		△231
Restated balance	14,074	16,697	27,544	△1,236	57,079
Changes during period					
Dividends of surplus			△524		△524
Profit (loss) attributable to owners of parent			△151		△151
Purchase of treasury shares				△327	△327
Disposal of treasury shares		△0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		△0			△0
Change in scope of consolidation			△49		△49
Transfer from retained earnings to capital surplus		0	△0		–
Net changes in items other than shareholders' equity					
Total changes during period	–	△0	△725	△327	△1,053
Balance at end of period	14,074	16,696	26,818	△1,564	56,026

	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 period	1,258	△133	△2,715	△538	△2,128	65	55,248
Cumulative effects of changes in accounting policies							△231
Restated balance	1,258	△133	△2,715	△538	△2,128	65	55,016
Changes during period							
Dividends of surplus							△524
Profit (loss) attributable to owners of parent							△151
Purchase of treasury shares							△327
Disposal of treasury shares							0
Change in ownership interest of parent due to transactions with non-controlling interests							△0
Change in scope of consolidation							△49
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	△532	△353	320	△145	△710	246	△463
Total changes during period	△532	△353	320	△145	△710	246	△1,516
Balance at end of period	725	△486	△2,394	△684	△2,839	312	53,499



## iv) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2018 – March 31, 2019	Current fiscal year Cumulative results for April 1, 2019 – March 31, 2020
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	955	△137
Depreciation	4,471	4,867
Share of loss (profit) of entities accounted for using equity method	△1,138	△302
Increase (decrease) in allowance for doubtful accounts	△31	△9
Increase (decrease) in retirement benefit liability	△23	39
Increase (decrease) in provision for bonuses	△101	△9
Increase (decrease) in provision for bonuses for directors (and other officers)	1	△0
Increase (decrease) in provision for environmental measures	△13	△7
Loss on abandonment of property, plant and equipment	109	127
Loss (gain) on sales of property, plant and equipment	41	24
Loss (gain) on sales of investment securities	△212	1
Loss (gain) on sales of shares of subsidiaries and associates	–	110
Interest and dividend income	△92	△215
Interest expenses	422	439
Decrease (increase) in trade receivables	465	△229
Decrease (increase) in inventories	△64	△269
Increase (decrease) in trade payables	△891	△738
Other, net	714	57
Subtotal	4,609	3,749
Interest and dividends received	415	1,092
Interest paid	△423	△449
Income taxes paid	△655	△692
Income taxes refund	29	93
Net cash provided by (used in) operating activities	3,975	3,792
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	162	1,871
Purchase of property, plant and equipment	△5,155	△4,639
Proceeds from sales of property, plant and equipment	41	5
Purchase of intangible assets	△62	△168
Purchase of investment securities	△5	△1
Proceeds from sales of investment securities	701	4
Purchase of shares of subsidiaries and associates	△897	△20
Proceeds from sales of shares of subsidiaries and associates	–	645
Payments for investments in capital of subsidiaries and associates	–	△4,975
Loan advances	△102	△856
Collection of loans receivable	2	205
Other payments	△22	△297
Other proceeds	14	28
Net cash provided by (used in) investing activities	△5,325	△8,198

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2018 – March 31, 2019	Current fiscal year Cumulative results for April 1, 2019 – March 31, 2020
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	△286	6,664
Proceeds from long-term borrowings	6,300	4,630
Repayments of long-term borrowings	△3,769	△4,193
Redemption of bonds	△100	△100
Decrease (increase) in treasury shares	△2	△327
Repayments of lease obligations	△880	△820
Proceeds from sale and leaseback transactions	499	–
Dividends paid	△524	△525
Dividends paid to non-controlling interests	△3	△4
Other payments	△45	–
Net cash provided by (used in) financing activities	1,186	5,323
Effect of exchange rate change on cash and cash equivalents	△158	83
Net increase (decrease) in cash and cash equivalents	△320	1,001
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	–	1,072
Cash and cash equivalents at end of period	10,872	12,945

## Segment information

### 1. Overview of reportable segments

The Yamamura Group's reportable segments are group components for which separate financial information is available and which are regularly reviewed by the management decision-making body in deciding how to allocate resources and in assessing their performance.

The Yamamura Group manufactures and sells glass bottles, plastic containers and new glass products. In addition, the group conducts business in the design/fabrication/sale/transportation/storage/yard operation etc. of equipments and plants related to the above business fields.

The Yamamura Group defines following four business segments as its reportable business segments based on the business activities described above: Glass bottles business, Plastic containers business, Logistics business, New glass business.

### 2. Method for calculating sales, profit/loss ( $\Delta$ ), assets, liabilities, and other items for each reportable segment

The accounting methods applied to the business segments reported are generally the same as the those for the consolidated financial statements.

Intersegment sales and transfers are based on market price.

### 3. Disclosure of net sales, profit/loss ( $\Delta$ ), assets, liabilities, and other items for each reportable segment

Previous fiscal year (Cumulative results for April 1, 2018 – March 31, 2019)

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Amount recorded on the consolidated financial statements (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net Sales							
Net sales to external customers	47,806	6,769	11,389	4,285	70,251	–	70,251
Intersegment sales and transfers	0	477	10,394	6	10,879	$\Delta$ 10,879	–
Total	47,807	7,246	21,784	4,291	81,130	$\Delta$ 10,879	70,251
Segment profit/loss ( $\Delta$ )	$\Delta$ 905	418	118	314	$\Delta$ 54	336	282
Segment assets	49,392	6,436	6,148	4,514	66,491	38,514	105,006
Other items							
Depreciation	3,339	420	266	214	4,241	229	4,471
Increase in property, plant and equipment and intangible assets	4,109	877	26	228	5,242	103	5,345

Current fiscal year (Cumulative results for April 1, 2019 – March 31, 2020)

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Amount recorded on the consolidated financial statements (Note 2)
	Glass bottles business	Plastic containers business	Logistics business	New glass business	Total		
Net Sales							
Net sales to external customers	46,706	6,480	10,691	3,494	67,372	–	67,372
Intersegment sales and transfers	0	538	10,232	6	10,777	△10,777	–
Total	46,707	7,018	20,923	3,500	78,150	△10,777	67,372
Segment profit/loss (△)	△69	188	226	△342	2	248	250
Segment assets	49,500	6,792	6,077	5,382	67,753	40,422	108,175
Other items							
Depreciation	3,505	599	235	286	4,627	239	4,867
Increase in property, plant and equipment and intangible assets	3,084	529	19	334	3,967	126	4,093

[Notes]

(1) The breakdown of adjustment is as follows:

(Millions of yen)

Net Sales	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Intersegment eliminations	△10,879	△10,777
Total	△10,879	△10,777

(Millions of yen)

Segment profit/loss (△)	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Intersegment eliminations	119	127
Other adjustments*	217	120
Total	336	248

\* 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	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Intersegment eliminations	△11,818	△19,009
Corporate assets*	50,333	59,431
Total	38,514	40,422

\* Corporate assets are mainly those not attributable to reportable segments.

(Millions of yen)

Depreciation	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Corporate assets*	229	239
Total	229	239

\* Corporate assets are mainly those not attributable to reportable segments.

(Millions of yen)

Increase in property, plant and equipment and intangible assets	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Intersegment eliminations	—	32
Corporate assets*	103	94
Total	103	126

\* Corporate assets are mainly those not attributable to reportable segments.

(2) Segment profit/loss ( $\Delta$ ) is adjusted with operating profit in the consolidated statements of income.

### Per Share Information

	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Net assets per share	5,258.90 yen	5,207.30 yen
Profit and loss ( $\Delta$ ) per share	15.83 yen	$\Delta$ 14.44 yen

[Notes] (1) Diluted profit per share for the current fiscal year is not reported because loss per share was posted and there were no dilutive shares. Diluted profit per share for the previous fiscal year is not reported because there were no dilutive shares as well.

(2) The Company conducted a consolidation of shares of common stock at the ratio of ten shares to one share on October 1, 2018. However, net assets per share and profit and loss per share have been calculated as though the share consolidation took place on April 1, 2018.

(3) The basis for calculation of profit and loss per share is as follows:

	Previous fiscal year (April 1, 2018 – March 31, 2019)	Current fiscal year (April 1, 2019 – March 31, 2020)
Profit and loss ( $\Delta$ ) attributable to owners of parent (millions of yen)	166	$\Delta$ 151
Amount not attributed to common shareholders (millions of yen)	—	—
Profit and loss ( $\Delta$ ) attributable to owners of parent on common stock (millions of yen)	166	$\Delta$ 151
Average number of common stock (thousand shares)	10,494	10,482

### Significant Subsequent Event

There are no applicable items.