

Quarterly Consolidated Financial Statements

For the first quarter (Q1) of the fiscal year ending March 31, 2021
(Cumulative results for April 1, 2020 – June 30, 2020)



Quarterly consolidated financial statements

i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	13,308	10,284
Notes and accounts receivable - trade	19,682	18,155
Merchandise and finished goods	7,379	7,611
Work in process	285	280
Raw materials and supplies	2,797	2,851
Other	940	920
Allowance for doubtful accounts	△48	△46
Total current assets	44,346	40,057
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,601	7,488
Machinery, equipment and vehicles, net	13,651	12,985
Tools, furniture and fixtures, net	997	1,030
Land	10,332	10,331
Construction in progress	583	735
Total property, plant and equipment	33,167	32,571
Intangible assets		
Other	1,487	1,444
Total intangible assets	1,487	1,444
Investments and other assets		
Investment securities	2,658	2,886
Shares of subsidiaries and associates	19,525	18,598
Retirement benefit asset	731	730
Other	6,277	6,336
Allowance for doubtful accounts	△17	△17
Total investments and other assets	29,174	28,533
Total non-current assets	63,829	62,550
Total assets	108,175	102,607

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,427	6,595
Short-term borrowings	14,851	13,724
Current portion of bonds payable	1,500	1,500
Income taxes payable	280	194
Provision for bonuses	490	361
Other	5,681	4,646
Total current liabilities	30,232	27,022
Non-current liabilities		
Long-term borrowings	19,223	18,970
Lease obligations	925	914
Provision for environmental measures	9	9
Retirement benefit liability	3,173	3,182
Deferred tax liabilities	346	249
Other	763	683
Total non-current liabilities	24,442	24,009
Total liabilities	54,675	51,032
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,696	16,696
Retained earnings	26,818	25,186
Treasury shares	△1,564	△1,564
Total shareholders' equity	56,026	54,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	725	888
Deferred gains or losses on hedges	△486	△287
Foreign currency translation adjustment	△2,394	△3,046
Remeasurements of defined benefit plans	△684	△662
Total accumulated other comprehensive income	△2,839	△3,107
Non-controlling interests	312	288
Total net assets	53,499	51,575
Total liabilities and net assets	108,175	102,607

- 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, 2019 – June 30, 2019)	Q1 of current fiscal year (Cumulative results for April 1, 2020 – June 30, 2020)
Net sales	17,659	14,064
Cost of sales	14,456	12,241
Gross profit	3,202	1,822
Selling, general and administrative expenses	2,907	2,716
Operating profit (loss)	295	△893
Non-operating income		
Interest income	2	3
Dividend income	50	56
Share of profit of entities accounted for using equity method	307	–
Other	90	107
Total non-operating income	452	167
Non-operating expenses		
Interest expenses	101	118
Share of loss of entities accounted for using equity method	–	591
Taxes and dues	28	26
Other	86	265
Total non-operating expenses	216	1,001
Ordinary profit (loss)	531	△1,728
Extraordinary income		
Gain on sales of non-current assets	–	3
Total extraordinary income	–	3
Extraordinary losses		
Loss on sales of non-current assets	–	2
Loss on abandonment of non-current assets	–	2
Compensation payment	46	–
Total extraordinary losses	46	4
Profit (loss) before income taxes	485	△1,728
Income taxes - current	110	128
Income taxes - deferred	55	△462
Total income taxes	165	△334
Profit (loss)	319	△1,394
Loss attributable to non-controlling interests	△18	△17
Profit (loss) attributable to owners of parent	337	△1,376

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q1 of previous fiscal year (Cumulative results for April 1, 2019 – June 30, 2019)	Q1 of current fiscal year (Cumulative results for April 1, 2020 – June 30, 2020)
Profit (loss)	319	△1,394
Other comprehensive income		
Valuation difference on available-for-sale securities	△275	162
Deferred gains or losses on hedges	△45	199
Foreign currency translation adjustment	68	△164
Remeasurements of defined benefit plans, net of tax	1	5
Share of other comprehensive income of entities accounted for using equity method	△184	△473
Total other comprehensive income	△435	△270
Comprehensive income	△116	△1,664
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△84	△1,645
Comprehensive income attributable to non-controlling interests	△31	△19

Accounting estimate

With regards to the impact of the COVID-19 coronavirus, it is difficult to forecast its future spread or when the virus will be contained. Taking into account information from outside sources, the Yamamura Group made accounting estimates for items like recoverability of deferred tax assets, etc. under the assumption that the impact will continue through the fiscal year ending March 31, 2021. For the estimates from the fiscal year ending March 31, 2022 onward, the medium-term business plan disclosed on May 20, 2020 is applied.

However, as there are many uncertainties about the impact of COVID-19, the above assumptions may change and business performance and financial condition of the Group may be affected.

Segment information

I Q1 of previous fiscal year (Cumulative results for April 1, 2019 - June 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	12,241	1,940	2,667	809	17,659	–	17,659
Intersegment sales and transfers	0	133	2,209	1	2,344	Δ 2,344	–
Total	12,242	2,074	4,877	811	20,004	Δ 2,344	17,659
Segment profit/loss (Δ)	187	214	0	Δ 114	287	7	295

[Notes] (1) Segment profit/loss (Δ) adjustment of 7 million yen includes intersegment eliminations of 32 million yen and other adjustments of Δ 25 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 Q1 of current fiscal year (Cumulative results for April 1, 2020 - June 30, 2020)

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

[Notes] (1) Segment profit/loss (Δ) 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 (Δ) is adjusted with operating profit in the quarterly consolidated statements of income.

2. Notes of changes in reportable segments

Effective April 1, 2020, Yamamura Warehouse Co., Ltd was split into Yamamura Warehouse Co., Ltd as the split company and Yamamura Plastic Products Co., Ltd as the successor company. While Yamamura Warehouse Co., Ltd. has previously been classified into the Logistics business segment, as a result of this company split, from the first quarter of the current consolidated fiscal year Yamamura Warehouse Co., Ltd. is classified into the Logistics business segment and Yamamura Plastic Products Co., Ltd. is classified into the Plastic containers business segment.

Segment information disclosed for the first quarter of the previous consolidated fiscal year is based on the categories of reportable segments in the first quarter of the current consolidated fiscal year.

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

There are no applicable items.