

Quarterly Consolidated Financial Statements

For the second quarter (Q2) of the fiscal year ending March 31, 2021
(Cumulative results for April 1, 2020 – September 30, 2020)



Quarterly consolidated financial statements

i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	13,308	11,024
Notes and accounts receivable - trade	19,682	16,818
Merchandise and finished goods	7,379	6,857
Work in process	285	253
Raw materials and supplies	2,797	2,837
Other	940	845
Allowance for doubtful accounts	△48	△46
Total current assets	44,346	38,590
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,601	7,420
Machinery, equipment and vehicles, net	13,651	12,874
Tools, furniture and fixtures, net	997	1,088
Land	10,332	10,332
Construction in progress	583	1,525
Total property, plant and equipment	33,167	33,241
Intangible assets		
Other	1,487	1,424
Total intangible assets	1,487	1,424
Investments and other assets		
Investment securities	2,658	3,114
Shares of subsidiaries and associates	19,525	18,631
Retirement benefit asset	731	728
Other	6,277	6,104
Allowance for doubtful accounts	△17	△21
Total investments and other assets	29,174	28,557
Total non-current assets	63,829	63,222
Total assets	108,175	101,813

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,427	5,908
Short-term borrowings	14,851	16,134
Current portion of bonds payable	1,500	1,500
Income taxes payable	280	285
Provision for bonuses	490	576
Other	5,681	4,427
Total current liabilities	30,232	28,833
Non-current liabilities		
Long-term borrowings	19,223	17,092
Lease obligations	925	834
Provision for environmental measures	9	9
Retirement benefit liability	3,173	3,184
Deferred tax liabilities	346	243
Other	763	622
Total non-current liabilities	24,442	21,986
Total liabilities	54,675	50,819
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,696	16,696
Retained earnings	26,818	24,085
Treasury shares	△1,564	△1,564
Total shareholders' equity	56,026	53,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	725	1,042
Deferred gains or losses on hedges	△486	△172
Foreign currency translation adjustment	△2,394	△2,798
Remeasurements of defined benefit plans	△684	△648
Total accumulated other comprehensive income	△2,839	△2,576
Non-controlling interests	312	277
Total net assets	53,499	50,994
Total liabilities and net assets	108,175	101,813

ii) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)

(Millions of yen)

	Q2 of previous fiscal year (Cumulative results for April 1, 2019 – September 30, 2019)	Q2 of current fiscal year (Cumulative results for April 1, 2020 – September 30, 2020)
Net sales	34,352	28,423
Cost of sales	28,163	24,792
Gross profit	6,189	3,630
Selling, general and administrative expenses	5,629	5,190
Operating profit (loss)	559	△1,559
Non-operating income		
Interest income	7	6
Dividend income	52	57
Share of profit of entities accounted for using equity method	450	–
Other	191	267
Total non-operating income	701	331
Non-operating expenses		
Interest expenses	203	214
Share of loss of entities accounted for using equity method	–	1,111
Foreign exchange losses	159	101
Taxes and dues	57	54
Other	174	275
Total non-operating expenses	594	1,756
Ordinary profit (loss)	666	△2,985
Extraordinary income		
Gain on sales of non-current assets	2	3
Total extraordinary income	2	3
Extraordinary losses		
Loss on sales of non-current assets	–	2
Loss on abandonment of non-current assets	2	4
Compensation payment	46	–
Total extraordinary losses	49	6
Profit (loss) before income taxes	620	△2,987
Income taxes - current	231	166
Income taxes - deferred	△4	△644
Total income taxes	227	△477
Profit (loss)	392	△2,509
Loss attributable to non-controlling interests	△37	△31
Profit (loss) attributable to owners of parent	430	△2,478

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q2 of previous fiscal year (Cumulative results for April 1, 2019 – September 30, 2019)	Q2 of current fiscal year (Cumulative results for April 1, 2020 – September 30, 2020)
Profit (loss)	392	△2,509
Other comprehensive income		
Valuation difference on available-for-sale securities	△292	317
Deferred gains or losses on hedges	△70	314
Foreign currency translation adjustment	△118	△195
Remeasurements of defined benefit plans, net of tax	2	11
Share of other comprehensive income of entities accounted for using equity method	△144	△183
Total other comprehensive income	△622	264
Comprehensive income	△230	△2,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△168	△2,215
Comprehensive income attributable to non-controlling interests	△61	△29

iii) Quarterly consolidated statements of cash flows

(Millions of yen)

	Q2 of previous fiscal year (Cumulative results for April 1, 2019 – September 30, 2019)	Q2 of current fiscal year (Cumulative results for April 1, 2020 – September 30, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	620	△2,987
Depreciation	2,384	2,374
Share of loss (profit) of entities accounted for using equity method	△450	1,111
Decrease (increase) in trade receivables	△19	2,732
Increase (decrease) in trade payables	△414	△1,499
Decrease (increase) in inventories	△902	464
Other, net	△127	330
Subtotal	1,090	2,526
Interest and dividends received	48	62
Interest paid	△191	△189
Income taxes paid	△251	△214
Income taxes refund	93	140
Net cash provided by (used in) operating activities	789	2,326
Cash flows from investing activities		
Net decrease (increase) in time deposits	100	216
Purchase of property, plant and equipment	△3,062	△2,912
Purchase of shares of subsidiaries and associates	△2,052	–
Other, net	△459	△134
Net cash provided by (used in) investing activities	△5,473	△2,830
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,259	△1,531
Proceeds from long-term borrowings	3,800	3,472
Repayments of long-term borrowings	△1,901	△2,783
Dividends paid	△262	△255
Other, net	△478	△381
Net cash provided by (used in) financing activities	3,417	△1,479
Effect of exchange rate change on cash and cash equivalents	△63	△93
Net increase (decrease) in cash and cash equivalents	△1,330	△2,077
Cash and cash equivalents at beginning of period	10,872	12,945
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,056	20
Cash and cash equivalents at end of period	10,598	10,887

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 Q2 of previous fiscal year (Cumulative results for April 1, 2019 - September 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	23,753	3,569	5,381	1,647	34,352	–	34,352
Intersegment sales and transfers	0	264	4,230	3	4,498	Δ 4,498	–
Total	23,754	3,833	9,612	1,651	38,851	Δ 4,498	34,352
Segment profit/loss (Δ)	228	276	Δ 5	Δ 184	315	243	559

[Notes] (1) Segment profit/loss (Δ) adjustment of 243 million yen includes intersegment eliminations of 57 million yen and other adjustments of 186 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 Q2 of current fiscal year (Cumulative results for April 1, 2020 - September 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	18,230	3,077	5,197	1,917	28,423	–	28,423
Intersegment sales and transfers	0	338	4,008	2	4,350	Δ 4,350	–
Total	18,230	3,416	9,205	1,920	32,773	Δ 4,350	28,423
Segment profit/loss (Δ)	Δ 2,127	112	180	Δ 38	Δ 1,872	313	Δ 1,559

[Notes] (1) Segment profit/loss (Δ) adjustment of 313 million yen includes intersegment eliminations of 58 million yen and other adjustments of 255 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 cumulative second quarter of the previous consolidated fiscal year is based on the categories of reportable segments in the cumulative second 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.