

Quarterly Consolidated Financial Statements

For the third quarter (Q3) of the fiscal year ending March 31, 2021

(Cumulative results for April 1, 2020 – December 31, 2020)



Quarterly consolidated financial statements

i) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	13,308	10,446
Notes and accounts receivable - trade	19,682	18,375
Merchandise and finished goods	7,379	6,001
Work in process	285	242
Raw materials and supplies	2,797	2,721
Other	940	1,176
Allowance for doubtful accounts	△48	△47
Total current assets	44,346	38,915
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,601	7,351
Machinery, equipment and vehicles, net	13,651	13,314
Tools, furniture and fixtures, net	997	1,046
Land	10,332	10,332
Construction in progress	583	939
Total property, plant and equipment	33,167	32,983
Intangible assets		
Other	1,487	1,397
Total intangible assets	1,487	1,397
Investments and other assets		
Investment securities	2,658	3,161
Shares of subsidiaries and associates	19,525	18,715
Retirement benefit asset	731	726
Other	6,277	5,604
Allowance for doubtful accounts	△17	△21
Total investments and other assets	29,174	28,186
Total non-current assets	63,829	62,566
Total assets	108,175	101,482

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,427	6,338
Short-term borrowings	14,851	16,569
Current portion of bonds payable	1,500	1,000
Income taxes payable	280	197
Provision for bonuses	490	238
Other	5,681	5,037
Total current liabilities	30,232	29,382
Non-current liabilities		
Long-term borrowings	19,223	17,182
Lease obligations	925	755
Provision for environmental measures	9	9
Retirement benefit liability	3,173	3,181
Deferred tax liabilities	346	243
Other	763	610
Total non-current liabilities	24,442	21,982
Total liabilities	54,675	51,365
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,696	16,696
Retained earnings	26,818	23,133
Treasury shares	△1,564	△1,564
Total shareholders' equity	56,026	52,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	725	1,047
Deferred gains or losses on hedges	△486	△61
Foreign currency translation adjustment	△2,394	△2,844
Remeasurements of defined benefit plans	△684	△631
Total accumulated other comprehensive income	△2,839	△2,490
Non-controlling interests	312	266
Total net assets	53,499	50,117
Total liabilities and net assets	108,175	101,482

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

(Quarterly consolidated statements of income)

(Millions of yen)

	Q3 of previous fiscal year (Cumulative results for April 1, 2019 – December 31, 2019)	Q3 of current fiscal year (Cumulative results for April 1, 2020 – December 31, 2020)
Net sales	50,668	43,567
Cost of sales	42,016	37,537
Gross profit	8,651	6,029
Selling, general and administrative expenses	8,485	7,869
Operating profit (loss)	166	△1,840
Non-operating income		
Interest income	15	11
Dividend income	62	68
Share of profit of entities accounted for using equity method	399	–
Other	323	447
Total non-operating income	801	528
Non-operating expenses		
Interest expenses	316	300
Share of loss of entities accounted for using equity method	–	1,516
Foreign exchange losses	211	35
Taxes and dues	86	82
Other	268	470
Total non-operating expenses	882	2,404
Ordinary profit (loss)	85	△3,717
Extraordinary income		
Gain on sales of non-current assets	1	5
Total extraordinary income	1	5
Extraordinary losses		
Loss on sales of non-current assets	–	4
Loss on abandonment of non-current assets	5	71
Loss on sales of investment securities	1	–
Loss on sales of shares of subsidiaries and associates	110	–
Compensation payment	46	–
Total extraordinary losses	163	75
Loss before income taxes	△76	△3,787
Income taxes - current	360	249
Income taxes - deferred	△129	△769
Total income taxes	231	△519
Loss	△308	△3,267
Loss attributable to non-controlling interests	△60	△42
Loss attributable to owners of parent	△247	△3,225

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Q3 of previous fiscal year (Cumulative results for April 1, 2019 – December 31, 2019)	Q3 of current fiscal year (Cumulative results for April 1, 2020 – December 31, 2020)
Loss	△308	△3,267
Other comprehensive income		
Valuation difference on available-for-sale securities	△263	321
Deferred gains or losses on hedges	110	425
Foreign currency translation adjustment	△244	△358
Remeasurements of defined benefit plans, net of tax	4	17
Share of other comprehensive income of entities accounted for using equity method	△272	△56
Total other comprehensive income	△665	349
Comprehensive income	△973	△2,917
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△889	△2,876
Comprehensive income attributable to non-controlling interests	△83	△41

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 Q3 of previous fiscal year (Cumulative results for April 1, 2019 - December 31, 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	34,997	5,065	8,112	2,493	50,668	–	50,668
Intersegment sales and transfers	0	392	6,487	5	6,884	Δ 6,884	–
Total	34,997	5,457	14,599	2,498	57,553	Δ 6,884	50,668
Segment profit/loss (Δ)	Δ 288	280	83	Δ 291	Δ 217	383	166

[Notes] (1) Segment profit/loss (Δ) adjustment of 383 million yen includes intersegment eliminations of 89 million yen and other adjustments of 293 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 Q3 of current fiscal year (Cumulative results for April 1, 2020 - December 31, 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	28,407	4,401	7,879	2,879	43,567	–	43,567
Intersegment sales and transfers	0	481	6,213	3	6,700	Δ 6,700	–
Total	28,408	4,883	14,092	2,883	50,267	Δ 6,700	43,567
Segment profit/loss (Δ)	Δ 2,706	132	361	Δ 34	Δ 2,246	406	Δ 1,840

[Notes] (1) Segment profit/loss (Δ) adjustment of 406 million yen includes intersegment eliminations of 91 million yen and other adjustments of 315 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 third quarter of the previous consolidated fiscal year is based on the categories of reportable segments in the cumulative third 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.