

Consolidated Financial Statements

For the fiscal year ended March 31, 2022

(Cumulative results for April 1, 2021 – March 31, 2022)



Consolidated financial statements

i) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	10,130	11,129
Notes and accounts receivable - trade	16,769	–
Notes and accounts receivable - trade, and contract assets	–	17,950
Merchandise and finished goods	6,211	6,144
Work in process	229	449
Raw materials and supplies	2,752	2,502
Prepaid expenses	140	178
Other	844	577
Allowance for doubtful accounts	△52	△58
Total current assets	37,026	38,874
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,516	32,963
Accumulated depreciation	△25,193	△25,794
Buildings and structures, net	7,323	7,168
Machinery, equipment and vehicles	81,703	85,188
Accumulated depreciation	△68,679	△72,702
Machinery, equipment and vehicles, net	13,023	12,486
Tools, furniture and fixtures	9,478	9,545
Accumulated depreciation	△8,449	△8,652
Tools, furniture and fixtures, net	1,029	892
Land	10,332	11,005
Construction in progress	549	186
Total property, plant and equipment	32,258	31,738
Intangible assets		
Other	1,373	1,838
Total intangible assets	1,373	1,838
Investments and other assets		
Investment securities	3,403	2,533
Shares of subsidiaries and associates	18,599	19,246
Investments in capital of subsidiaries and associates	3,514	20
Long-term loans receivable	362	1,272
Long-term prepaid expenses	110	80
Retirement benefit asset	998	960
Deferred tax assets	400	511
Other	459	554
Allowance for doubtful accounts	△17	△265
Total investments and other assets	27,832	24,914
Total non-current assets	61,464	58,492
Total assets	98,490	97,366

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,438	7,136
Short-term borrowings	11,647	11,318
Accounts payable - other	1,647	1,647
Income taxes payable	296	350
Accrued consumption taxes	504	659
Accrued expenses	826	920
Provision for bonuses	514	639
Provision for bonuses for directors (and other officers)	30	44
Provision for loss on business liquidation	–	4,757
Provision for product warranties	–	76
Other	874	1,989
Total current liabilities	22,780	29,542
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	20,051	20,577
Lease liabilities	716	784
Provision for environmental measures	3	3
Retirement benefit liability	2,993	2,989
Deferred tax liabilities	244	313
Other	2,121	1,941
Total non-current liabilities	27,129	27,609
Total liabilities	49,910	57,151
Net assets		
Shareholders' equity		
Share capital	14,074	14,074
Capital surplus	16,696	16,696
Retained earnings	21,045	11,224
Treasury shares	△1,564	△1,565
Total shareholders' equity	50,252	40,430
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,253	767
Deferred gains or losses on hedges	92	71
Foreign currency translation adjustment	△3,025	△1,305
Remeasurements of defined benefit plans	△351	△55
Total accumulated other comprehensive income	△2,029	△521
Non-controlling interests	357	305
Total net assets	48,580	40,214
Total liabilities and net assets	98,490	97,366

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, 2020 – March 31, 2021	Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022
Net sales	57,136	64,291
Cost of sales	49,509	53,223
Gross profit	7,626	11,068
Selling, general and administrative expenses		
Transportation costs	3,438	3,654
Travel and transportation expenses	71	132
Provision of allowance for doubtful accounts	3	0
Employees' salaries	1,779	1,766
Provision for bonuses	166	165
Provision for bonuses for directors (and other officers)	30	44
Retirement benefit expenses	125	98
Welfare expenses	494	533
Rent expenses	216	217
Storage costs	958	813
Taxes and dues	248	272
Supplies expenses	800	461
Depreciation	305	301
Other	1,739	2,160
Total selling, general and administrative expenses	10,378	10,623
Operating profit (loss)	△2,751	444
Non-operating income		
Interest income	17	19
Dividend income	74	64
Rental income from facilities	92	95
Foreign exchange gains	129	238
Subsidy income	166	153
Proceeds from prototypes	128	136
Other	254	249
Total non-operating income	863	958
Non-operating expenses		
Interest expenses	393	314
Share of loss of entities accounted for using equity method	2,169	4,515
Depreciation	275	456
Taxes and dues	107	96
Other	644	672
Total non-operating expenses	3,590	6,055
Ordinary loss	△5,478	△4,652

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2020 – March 31, 2021	Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022
Extraordinary income		
Gain on sale of non-current assets	10	10
Gain on sale of investment securities	89	234
Total extraordinary income	100	245
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on abandonment of non-current assets	213	31
Loss on sale of investment securities	–	6
Provision for loss on business liquidation	–	4,757
Impairment losses	101	–
Compensation payment	–	7
Provision for product warranties	–	76
Business restructuring expenses	249	–
Total extraordinary losses	566	4,879
Loss before income taxes	△5,945	△9,285
Income taxes – current	310	396
Income taxes – deferred	△879	69
Total income taxes	△568	466
Loss	△5,376	△9,752
Loss attributable to non-controlling interests	△63	△101
Loss attributable to owners of parent	△5,313	△9,651

(Consolidated statements of comprehensive income)

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2020 – March 31, 2021	Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022
Loss	△5,376	△9,752
Other comprehensive income		
Valuation difference on available-for-sale securities	529	△486
Deferred gains or losses on hedges	579	△21
Foreign currency translation adjustment	△390	595
Remeasurements of defined benefit plans, net of tax	279	83
Share of other comprehensive income of entities accounted for using equity method	△194	1,370
Total other comprehensive income	803	1,540
Comprehensive income	△4,573	△8,211
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△4,504	△8,142
Comprehensive income attributable to non-controlling interests	△69	△68

iii) Consolidated statement of changes in shareholders' equity

Previous fiscal year (Cumulative results for April 1, 2020 – March 31, 2021)

	Shareholders' equity					(Millions of yen)
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	14,074	16,696	26,818	△1,564	56,026	
Changes during period						
Dividends of surplus			△459		△459	
Loss attributable to owners of parent			△5,313		△5,313	
Purchase of treasury shares				△0	△0	
Change in scope of consolidation			△0		△0	
Net changes in items other than shareholders' equity						
Total changes during period	–	–	△5,773	△0	△5,773	
Balance at end of period	14,074	16,696	21,045	△1,564	50,252	

	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	725	△486	△2,394	△684	△2,839	312	53,499
Changes during period							
Dividends of surplus							△459
Loss attributable to owners of parent							△5,313
Purchase of treasury shares							△0
Change in scope of consolidation							△0
Net changes in items other than shareholders' equity	527	579	△631	333	809	45	854
Total changes during period	527	579	△631	333	809	45	△4,919
Balance at end of period	1,253	92	△3,025	△351	△2,029	357	48,580

Current fiscal year (Cumulative results for April 1, 2021 – March 31, 2022)

	Shareholders' equity					(Millions of yen)
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	14,074	16,696	21,045	△1,564	50,252	
Changes during period						
Dividends of surplus			△204		△204	
Loss attributable to owners of parent			△9,651		△9,651	
Purchase of treasury shares				△0	△0	
Change in scope of consolidation			34		34	
Net changes in items other than shareholders' equity						
Total changes during period	–	–	△9,821	△0	△9,821	
Balance at end of period	14,074	16,696	11,224	△1,565	40,430	

	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	1,253	92	△3,025	△351	△2,029	357	48,580
Changes during period							
Dividends of surplus							△204
Loss attributable to owners of parent							△9,651
Purchase of treasury shares							△0
Change in scope of consolidation							34
Net changes in items other than shareholders' equity	△485	△21	1,720	295	1,508	△52	1,455
Total changes during period	△485	△21	1,720	295	1,508	△52	△8,365
Balance at end of period	767	71	△1,305	△55	△521	305	40,214

iv) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2020 – March 31, 2021	Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022
Cash flows from operating activities		
Loss before income taxes	△5,945	△9,285
Depreciation	4,980	4,908
Impairment losses	101	–
Share of loss (profit) of entities accounted for using equity method	2,169	4,515
Increase (decrease) in allowance for doubtful accounts	2	245
Increase (decrease) in retirement benefit liability	△180	△39
Increase (decrease) in provision for bonuses	23	108
Increase (decrease) in provision for bonuses for directors (and other officers)	14	14
Increase (decrease) in provision for environmental measures	△3	△3
Increase (decrease) in provision for loss on business liquidation	–	4,757
Increase (decrease) in provision for product warranties	–	76
Loss on abandonment of property, plant and equipment	227	35
Loss (gain) on sale of property, plant and equipment	△8	△10
Loss (gain) on sale of investment securities	△89	△228
Amortization of goodwill	–	34
Interest and dividend income	△92	△84
Interest expenses	393	314
Decrease (increase) in trade receivables	3,001	25
Decrease (increase) in inventories	1,283	72
Increase (decrease) in trade payables	△953	152
Other, net	536	494
Subtotal	5,460	6,101
Interest and dividends received	84	189
Interest paid	△468	△326
Income taxes paid	△392	△465
Income taxes refund	139	86
Net cash provided by (used in) operating activities	4,822	5,584
Cash flows from investing activities		
Net decrease (increase) in time deposits	177	245
Purchase of property, plant and equipment	△5,510	△1,763
Proceeds from sale of property, plant and equipment	19	17
Purchase of intangible assets	△101	△65
Purchase of investment securities	△51	△1
Proceeds from sale of investment securities	136	436
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	602
Loan advances	△160	△1,074
Proceeds from collection of loans receivable	344	115
Other payments	△165	△92
Other proceeds	196	88
Net cash provided by (used in) investing activities	△5,113	△1,490

(Millions of yen)

	Previous fiscal year Cumulative results for April 1, 2020 – March 31, 2021	Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△6,421	490
Proceeds from long-term borrowings	9,185	6,436
Repayments of long-term borrowings	△5,448	△9,190
Proceeds from issuance of bonds	1,000	–
Redemption of bonds	△1,500	–
Decrease (increase) in treasury shares	△0	△0
Proceeds from share issuance to non-controlling shareholders	119	–
Repayments of lease liabilities	△723	△546
Proceeds from sales and Installment back	1,699	–
Repayments of installment payables	–	△361
Dividends paid	△459	△206
Dividends paid to non-controlling interests	△5	△6
Net cash provided by (used in) financing activities	△2,554	△3,384
Effect of exchange rate change on cash and cash equivalents	△174	172
Net increase (decrease) in cash and cash equivalents	△3,020	882
Cash and cash equivalents at beginning of period	12,945	9,945
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	20	71
Cash and cash equivalents at end of period	9,945	10,898

Changes in accounting policies

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard"), etc. shall be applied from the beginning of the current consolidated fiscal year. Accordingly, when control of promised goods or services is transferred to the customer, revenue shall be recognized in an amount expected to be received in exchange for said goods or services. As a result, the Company has decided to recognize revenue on a pro rata basis over the term of the agreement for services that continue over a certain period of time.

The application of the Revenue Recognition Accounting Standard, etc. is in accordance with the transitional treatment stipulated in the provisions of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative amount of impact from retroactively applying the new accounting policy prior to the beginning of the current consolidated fiscal year shall be added to or subtracted from retained earnings at the beginning of the period, and the new accounting policy shall be applied from the balance at the beginning of the said period. However, applying the method set forth in paragraph 86 of the Revenue Recognition Accounting Standard, the new accounting policy has not been applied retrospectively to contracts which substantially all revenue amounts have been recognized in accordance with previous treatment prior to the beginning of the current consolidated fiscal year. In addition, applying the method stipulated in paragraph 86 of the Revenue Recognition Accounting Standards and paragraph (1), accounts processing has been done to the contract modifications made prior to the beginning of the period under review based on the contractual terms after reflecting all contract modifications.

As a result, there is no impact on the Company's consolidated financial statements because of this change. In addition, there is no cumulative impact as there are no corresponding transactions in retained earnings at the beginning of the fiscal year, and no adjustments are made to retained earnings at the beginning of the current consolidated fiscal year.

Due to the application of the Revenue Recognition Accounting Standards, etc., "notes and accounts receivable – trade," which had been presented under "current assets" in the consolidated balance sheets for the previous fiscal year, will be included in, and presented under, "notes and accounts receivable – trade, and contract assets" as of the current consolidated fiscal year. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, the previous fiscal year has not been reclassified in accordance with the new presentation method. In addition, the breakdown of the revenue generated from contracts with customers is presented in the Segment Information to be described.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued July 4, 2019; hereinafter, "Fair Value Measurement Accounting Standard"), etc. shall be applied from the beginning of the current consolidated fiscal year and, in accordance with the transitional treatment stipulated in Fair Value Measurement Accounting Standard, Paragraph 19 and Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued July 4, 2019), Paragraph 44-2, new accounting policies stipulated in the Fair Value Measurement Accounting Standard, etc. shall be applied in the future. There is no impact on the Company's consolidated financial statements.

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.

From the second quarter of the current fiscal year, Nakayama Transport Co., Ltd. (Logistics business) and Maruishi Transport Co., Ltd. (Logistics business) have been included in the scope of consolidation because our consolidated subsidiary Yamamura Logistics Co., Ltd. acquired all of the shares. As the deemed acquisition date is September 30, 2021, the statements of income is consolidated from the third quarter of the current fiscal year.

2. Method for calculating sales, profit/loss (Δ), 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.

As stated in "Changes in accounting policies," the Revenue Recognition Accounting Standard, etc. has been applied from the beginning of the current consolidated fiscal year, and the accounting method for revenue recognition has been changed. As a result, the method of calculating profit or loss for business segments has also been changed.

There is no impact on the consolidated financial statements result from these changes.

3. Disclosure of net sales, profit/loss (Δ), assets, liabilities, and other items for each reportable segment Previous fiscal year (Cumulative results for April 1, 2020 – March 31, 2021)

(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	37,052	5,767	10,484	3,830	57,136	–	57,136
Intersegment sales and transfers	0	609	8,208	6	8,825	Δ 8,825	–
Total	37,053	6,377	18,693	3,836	65,961	Δ 8,825	57,136
Segment profit/loss (Δ)	Δ 3,655	161	442	Δ 104	Δ 3,155	404	Δ 2,751
Segment assets	45,868	6,904	5,918	5,186	63,878	34,612	98,490
Other items							
Depreciation	3,669	526	218	295	4,709	270	4,980
Impairment losses	101	–	–	–	101	–	101
Increase in property, plant and equipment and intangible assets	2,895	591	34	342	3,864	159	4,023

Current fiscal year (Cumulative results for April 1, 2021 – March 31, 2022)

(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							
Revenue generated from contracts with customers	41,089	6,516	11,784	3,812	63,202	–	63,202
Other revenue	–	–	1,089	–	1,089	–	1,089
Net sales to external Customers	41,089	6,516	12,873	3,812	64,291	–	64,291
Intersegment sales and transfers	0	649	7,802	8	8,460	△8,460	–
Total	41,090	7,165	20,676	3,820	72,752	△8,460	64,291
Segment profit/loss (△)	△687	443	497	29	282	162	444
Segment assets	41,262	7,172	9,267	5,422	63,125	34,241	97,366
Other items							
Depreciation	3,511	477	339	311	4,640	267	4,908
Amortization of goodwill	–	–	34	–	34	–	34
Increase in property, plant and equipment and intangible assets	1,378	204	18	500	2,102	70	2,173

[Notes]

(1) The breakdown of adjustment is as follows:

(Millions of yen)

Net Sales	Previous fiscal year (April 1, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Intersegment eliminations	△8,825	△8,460
Total	△8,825	△8,460

(Millions of yen)

Segment profit/loss (△)	Previous fiscal year (April 1, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Intersegment eliminations	123	111
Other adjustments*	280	50
Total	404	162

* 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, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Intersegment eliminations	△26,103	△16,064
Corporate assets*	60,715	50,305
Total	34,612	34,241

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

(Millions of yen)

Depreciation	Previous fiscal year (April 1, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Corporate assets*	270	267
Total	270	267

* 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, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Intersegment eliminations	6	—
Corporate assets*	152	70
Total	159	70

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

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

Per Share Information

	Previous fiscal year (April 1, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Net assets per share	4,721.55 yen	3,907.81 yen
Profit and loss (Δ) per share	Δ 520.24 yen	Δ 944.97 yen

[Notes] (1) Diluted profit per share is not reported because loss per share was posted and there were no dilutive shares.

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

	Previous fiscal year (April 1, 2020 – March 31, 2021)	Current fiscal year (April 1, 2021 – March 31, 2022)
Profit and loss (Δ) attributable to owners of parent (millions of yen)	Δ 5,313	Δ 9,651
Amount not attributed to common shareholders (millions of yen)	—	—
Profit and loss (Δ) attributable to owners of parent on common stock (millions of yen)	Δ 5,313	Δ 9,651
Average number of common stock (thousand shares)	10,213	10,213

Significant Subsequent Event

Transfer of shares of consolidated subsidiaries

On March 15, 2022, we entered into an equity transfer contract to transfer all the equity interests of our consolidated subsidiary Yamamura Glass Qinhuangdao Co., Ltd. to Ningbo Houhe investment management Co.,Ltd. and executed this equity transfer on April 20, 2022.

(1) Outline of the transferred subsidiary, etc.

- ① Name: Yamamura Glass Qinhuangdao Co., Ltd.
- ② Location: Qinhuangdao City, Hebei Province, China
- ③ Representative and Title: Chairman, Fumiyoshi Kobayashi
- ④ Business Activities: Manufacture and sales of glass bottles
- ⑤ Capital: 620,066,000 yuan (9,915 million yen)
- ⑥ Established: 1958

(2) Transferred Equity, Transfer Value, and Owned Equity after Transfer

- ① Ownership before the change: 100% (Percentage of voting rights 100%)
- ② Transferred equity: 100% (Percentage of voting rights 100%)
- ③ Transfer price: 35 million yuan (691 million yen)
- ④ Ownership interest after transfer: 0% (Percentage of voting rights 0%)

(3) Name of reportable segment in which the subsidiary is included

Glass bottles business

A reasonably estimated amount of loss from the transfer is recorded in the current fiscal year.

Change of Company Directors

1. Change of representative director

There are no applicable items.

2. Change of other directors (as of June 28, 2022)

- 1) Candidate for new director (excluding members of the audit and supervisory committee)

Name	Current position	New position
Noboru Yamamura	Executive Officer President of Plastics Company	Director & Executive Officer President of Plastics Company
Tomoyuki Taguchi	Executive Officer President of New Glass Company	Director & Executive Officer President of New Glass Company