

Consolidated Financial Statements

For the fiscal year ended March 31, 2023

(Cumulative results for April 1, 2022 – March 31, 2023)



Consolidated financial statements

i) Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 11,129 | 7,647 |
| Notes and accounts receivable - trade, and contract assets | 17,950 | 18,414 |
| Merchandise and finished goods | 6,144 | 6,049 |
| Work in process | 449 | 254 |
| Raw materials and supplies | 2,502 | 1,818 |
| Prepaid expenses | 178 | 176 |
| Other | 577 | 861 |
| Allowance for doubtful accounts | △58 | △2 |
| Total current assets | 38,874 | 35,220 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 32,963 | 30,780 |
| Accumulated depreciation | △25,794 | △25,296 |
| Buildings and structures, net | 7,168 | 5,484 |
| Machinery, equipment and vehicles | 85,188 | 78,568 |
| Accumulated depreciation | △72,702 | △70,425 |
| Machinery, equipment and vehicles, net | 12,486 | 8,142 |
| Tools, furniture and fixtures | 9,545 | 9,340 |
| Accumulated depreciation | △8,652 | △8,607 |
| Tools, furniture and fixtures, net | 892 | 733 |
| Land | 11,005 | 10,911 |
| Construction in progress | 186 | 401 |
| Total property, plant and equipment | 31,738 | 25,672 |
| Intangible assets | | |
| Other | 1,838 | 202 |
| Total intangible assets | 1,838 | 202 |
| Investments and other assets | | |
| Investment securities | 2,533 | 2,396 |
| Shares of subsidiaries and associates | 19,246 | 20,134 |
| Investments in capital of subsidiaries and associates | 20 | 20 |
| Long-term loans receivable | 1,272 | 918 |
| Long-term prepaid expenses | 80 | 160 |
| Retirement benefit asset | 960 | 766 |
| Deferred tax assets | 511 | 1,764 |
| Other | 554 | 607 |
| Allowance for doubtful accounts | △265 | △263 |
| Total investments and other assets | 24,914 | 26,504 |
| Total non-current assets | 58,492 | 52,379 |
| Total assets | 97,366 | 87,599 |

(Millions of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 7,136 | 7,958 |
| Short-term borrowings | 11,318 | 11,884 |
| Accounts payable - other | 1,647 | 2,195 |
| Income taxes payable | 350 | 376 |
| Accrued consumption taxes | 659 | 213 |
| Accrued expenses | 920 | 954 |
| Provision for bonuses | 639 | 615 |
| Provision for bonuses for directors (and other officers) | 44 | 38 |
| Provision for loss on business liquidation | 4,757 | – |
| Provision for product warranties | 76 | – |
| Provision for business restructuring | – | 99 |
| Other | 1,989 | 875 |
| Total current liabilities | 29,542 | 25,212 |
| Non-current liabilities | | |
| Bonds payable | 1,000 | 1,000 |
| Long-term borrowings | 20,577 | 18,801 |
| Lease liabilities | 784 | 440 |
| Provision for environmental measures | 3 | 3 |
| Retirement benefit liability | 2,989 | 3,001 |
| Deferred tax liabilities | 313 | 11 |
| Liabilities from application of equity method | – | 228 |
| Other | 1,941 | 1,410 |
| Total non-current liabilities | 27,609 | 24,898 |
| Total liabilities | 57,151 | 50,111 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 14,074 | 14,074 |
| Capital surplus | 16,696 | 16,625 |
| Retained earnings | 11,224 | 8,287 |
| Treasury shares | △1,565 | △1,565 |
| Total shareholders' equity | 40,430 | 37,422 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 767 | 733 |
| Deferred gains or losses on hedges | 71 | 41 |
| Foreign currency translation adjustment | △1,305 | △715 |
| Remeasurements of defined benefit plans | △55 | △133 |
| Total accumulated other comprehensive income | △521 | △73 |
| Non-controlling interests | 305 | 139 |
| Total net assets | 40,214 | 37,488 |
| Total liabilities and net assets | 97,366 | 87,599 |

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, 2021 – March 31, 2022 | Current fiscal year Cumulative results for April 1, 2022 – March 31, 2023 |
|---|---|--|
| Net sales | 64,291 | 68,138 |
| Cost of sales | 53,223 | 57,876 |
| Gross profit | 11,068 | 10,261 |
| Selling, general and administrative expenses | | |
| Transportation costs | 3,654 | 3,672 |
| Travel and transportation expenses | 132 | 169 |
| Provision of allowance for doubtful accounts | 0 | 0 |
| Employees' salaries | 1,766 | 1,703 |
| Provision for bonuses | 165 | 162 |
| Provision for bonuses for directors (and other officers) | 44 | 38 |
| Retirement benefit expenses | 98 | 85 |
| Welfare expenses | 533 | 459 |
| Rent expenses | 217 | 221 |
| Storage costs | 813 | 823 |
| Taxes and dues | 272 | 267 |
| Supplies expenses | 461 | 489 |
| Depreciation | 301 | 235 |
| Other | 2,160 | 2,074 |
| Total selling, general and administrative expenses | 10,623 | 10,403 |
| Operating profit (loss) | 444 | △142 |
| Non-operating income | | |
| Interest income | 19 | 36 |
| Dividend income | 64 | 88 |
| Rental income from facilities | 95 | 97 |
| Foreign exchange gains | 238 | 72 |
| Proceeds from prototypes | 136 | 133 |
| Other | 403 | 275 |
| Total non-operating income | 958 | 704 |
| Non-operating expenses | | |
| Interest expenses | 314 | 261 |
| Share of loss of entities accounted for using equity method | 4,515 | 2,285 |
| Depreciation | 456 | 318 |
| Taxes and dues | 96 | 96 |
| Other | 672 | 557 |
| Total non-operating expenses | 6,055 | 3,519 |
| Ordinary loss | △4,652 | △2,957 |

(Millions of yen)

| | Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022 | Current fiscal year Cumulative results for April 1, 2022 – March 31, 2023 |
|--|---|--|
| Extraordinary income | | |
| Gain on sale of non-current assets | 10 | 85 |
| Gain on sale of investment securities | 234 | 154 |
| Reversal of provision for loss on business liquidation | – | 114 |
| Total extraordinary income | 245 | 353 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | – | 6 |
| Loss on abandonment of non-current assets | 31 | 12 |
| Loss on sale of investment securities | 6 | – |
| Loss on valuation of investment securities | – | 34 |
| Impairment losses | – | 532 |
| Compensation payment | 7 | 7 |
| Provision for product warranties | 76 | – |
| Loss on liquidation of business | – | 657 |
| Provision for loss on business liquidation | 4,757 | – |
| Business restructuring expenses | – | 57 |
| Provision for business restructuring | – | 99 |
| Total extraordinary losses | 4,879 | 1,407 |
| Loss before income taxes | △9,285 | △4,011 |
| Income taxes - current | 396 | 412 |
| Income taxes - deferred | 69 | △1,241 |
| Total income taxes | 466 | △828 |
| Loss | △9,752 | △3,182 |
| Loss attributable to non-controlling interests | △101 | △174 |
| Loss attributable to owners of parent | △9,651 | △3,007 |

(Consolidated statements of comprehensive income)

(Millions of yen)

| | Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022 | Current fiscal year Cumulative results for April 1, 2022 – March 31, 2023 |
|---|---|--|
| Loss | △9,752 | △3,182 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △486 | △34 |
| Deferred gains or losses on hedges | △21 | △30 |
| Foreign currency translation adjustment | 595 | △578 |
| Remeasurements of defined benefit plans, net of tax | 83 | △100 |
| Share of other comprehensive income of entities accounted for using equity method | 1,370 | 1,206 |
| Total other comprehensive income | 1,540 | 462 |
| Comprehensive income | △8,211 | △2,719 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | △8,142 | △2,560 |
| Comprehensive income attributable to non-controlling interests | △68 | △159 |

iii) Consolidated statement of changes in shareholders' equity

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

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | 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 |

Current fiscal year (Cumulative results for April 1, 2022 – March 31, 2023)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 14,074 | 16,696 | 11,224 | △1,565 | 40,430 |
| Changes during period | | | | | |
| Loss attributable to owners of parent | | | △3,007 | | △3,007 |
| Purchase of treasury shares | | | | △0 | △0 |
| Transfer to retained earnings from capital surplus | | △71 | 71 | | – |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | △71 | △2,936 | △0 | △3,008 |
| Balance at end of period | 14,074 | 16,625 | 8,287 | △1,565 | 37,422 |

| | 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 | 767 | 71 | △1,305 | △55 | △521 | 305 | 40,214 |
| Changes during period | | | | | | | |
| Loss attributable to owners of parent | | | | | | | △3,007 |
| Purchase of treasury shares | | | | | | | △0 |
| Transfer to retained earnings from capital surplus | | | | | | | – |
| Net changes in items other than shareholders' equity | △34 | △30 | 589 | △78 | 447 | △165 | 282 |
| Total changes during period | △34 | △30 | 589 | △78 | 447 | △165 | △2,726 |
| Balance at end of period | 733 | 41 | △715 | △133 | △73 | 139 | 37,488 |

iv) Consolidated statements of cash flows

(Millions of yen)

| | Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022 | Current fiscal year Cumulative results for April 1, 2022 – March 31, 2023 |
|---|---|--|
| Cash flows from operating activities | | |
| Loss before income taxes | △9,285 | △4,011 |
| Depreciation | 4,908 | 4,001 |
| Impairment losses | – | 532 |
| Loss on liquidation of business | – | 657 |
| Share of loss (profit) of entities accounted for using equity method | 4,515 | 2,285 |
| Increase (decrease) in allowance for doubtful accounts | 245 | △5 |
| Increase (decrease) in retirement benefit liability | △39 | 1 |
| Increase (decrease) in provision for bonuses | 108 | △25 |
| Increase (decrease) in provision for bonuses for directors (and other officers) | 14 | △6 |
| Increase (decrease) in provision for environmental measures | △3 | – |
| Increase (decrease) in provision for product warranties | 76 | △76 |
| Increase (decrease) in provision for loss on business liquidation | 4,757 | △114 |
| Increase (decrease) in provision for business restructuring | – | 99 |
| Loss on abandonment of property, plant and equipment | 35 | 14 |
| Loss (gain) on sale of property, plant and equipment | △10 | △78 |
| Loss (gain) on sale of investment securities | △228 | △154 |
| Loss (gain) on valuation of investment securities | – | 34 |
| Amortization of goodwill | 34 | 69 |
| Interest and dividend income | △84 | △125 |
| Interest expenses | 314 | 261 |
| Decrease (increase) in trade receivables | 25 | △1,333 |
| Decrease (increase) in inventories | 72 | 22 |
| Increase (decrease) in trade payables | 152 | 827 |
| Other, net | 494 | △659 |
| Subtotal | 6,101 | 2,218 |
| Interest and dividends received | 189 | 103 |
| Interest paid | △326 | △260 |
| Income taxes paid | △465 | △511 |
| Income taxes refund | 86 | 71 |
| Net cash provided by (used in) operating activities | 5,584 | 1,622 |

(Millions of yen)

| | Previous fiscal year Cumulative results for April 1, 2021 – March 31, 2022 | Current fiscal year Cumulative results for April 1, 2022 – March 31, 2023 |
|--|---|--|
| Cash flows from investing activities | | |
| Net decrease (increase) in time deposits | 245 | 59 |
| Purchase of property, plant and equipment | △1,763 | △1,739 |
| Proceeds from sale of property, plant and equipment | 17 | 312 |
| Purchase of intangible assets | △65 | △28 |
| Purchase of investment securities | △1 | △1 |
| Proceeds from sale of investment securities | 436 | 200 |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 602 | – |
| Proceeds from sales of investments in capital of subsidiaries and associates resulting in change in scope of consolidation | – | 284 |
| Loan advances | △1,074 | △1,309 |
| Proceeds from collection of loans receivable | 115 | 76 |
| Payments for derivative settlement | – | △787 |
| Other payments | △92 | △7 |
| Other proceeds | 88 | 11 |
| Net cash provided by (used in) investing activities | △1,490 | △2,926 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 490 | 2,909 |
| Proceeds from long-term borrowings | 6,436 | 3,900 |
| Repayments of long-term borrowings | △9,190 | △8,133 |
| Decrease (increase) in treasury shares | △0 | △0 |
| Repayments of lease liabilities | △546 | △537 |
| Repayments of installment payables | △361 | △336 |
| Dividends paid | △206 | △2 |
| Dividends paid to non-controlling interests | △6 | △6 |
| Net cash provided by (used in) financing activities | △3,384 | △2,207 |
| Effect of exchange rate change on cash and cash equivalents | 172 | 77 |
| Net increase (decrease) in cash and cash equivalents | 882 | △3,434 |
| Cash and cash equivalents at beginning of period | 9,945 | 10,898 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 71 | – |
| Cash and cash equivalents at end of period | 10,898 | 7,464 |

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.

In the first quarter of the current fiscal year, Yamamura International Hong Kong Limited, a consolidated subsidiary of the Company, sold all of the interests in Yamamura Glass Qinhuangdao Co., Ltd. (Glass bottles business), therefore Yamamura Glass Qinhuangdao Co., Ltd. has been removed from range of consolidation. The deemed sale date was set as the last day of the first quarter of the current fiscal year. Its statements of income from January 2022 to March 2022 is consolidated. As a result, the amount of assets of the reportable segments in "Glass bottles business" for the current fiscal year decreased by 7.01 billion yen from the end of the previous 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.

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, 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 | Δ 8,460 | – |
| Total | 41,090 | 7,165 | 20,676 | 3,820 | 72,752 | Δ 8,460 | 64,291 |
| Segment profit/loss (Δ) | Δ 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 |

Current fiscal year (Cumulative results for April 1, 2022 – March 31, 2023)

(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 | 43,999 | 6,631 | 13,379 | 2,980 | 66,990 | – | 66,990 |
| Other revenue | – | – | 1,148 | – | 1,148 | – | 1,148 |
| Net sales to external customers | 43,999 | 6,631 | 14,527 | 2,980 | 68,138 | – | 68,138 |
| Intersegment sales and transfers | 0 | 686 | 8,184 | 8 | 8,878 | △8,878 | – |
| Total | 43,999 | 7,317 | 22,711 | 2,988 | 77,017 | △8,878 | 68,138 |
| Segment profit/loss (△) | △9 | △422 | 504 | △459 | △386 | 244 | △142 |
| Segment assets | 35,668 | 6,496 | 7,729 | 4,034 | 53,929 | 33,670 | 87,599 |
| Other items | | | | | | | |
| Depreciation | 2,629 | 413 | 414 | 316 | 3,774 | 227 | 4,001 |
| Amortization of goodwill | – | – | 69 | – | 69 | – | 69 |
| Impairment losses | – | – | 532 | – | 532 | – | 532 |
| Increase in property, plant and equipment and intangible assets | 1,635 | 211 | 61 | 156 | 2,064 | 132 | 2,196 |

[Notes]

(1) The breakdown of adjustment is as follows:

(Millions of yen)

| Net Sales | Previous fiscal year (April 1, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|---------------------------|--|---|
| Intersegment eliminations | △8,460 | △8,878 |
| Total | △8,460 | △8,878 |

(Millions of yen)

| Segment profit/loss (△) | Previous fiscal year (April 1, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|---------------------------|--|---|
| Intersegment eliminations | 111 | 128 |
| Other adjustments* | 50 | 115 |
| Total | 162 | 244 |

* 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, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|---------------------------|--|---|
| Intersegment eliminations | △16,064 | △6,010 |
| Corporate assets* | 50,305 | 39,680 |
| Total | 34,241 | 33,670 |

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

(Millions of yen)

| Depreciation | Previous fiscal year (April 1, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|-------------------|--|---|
| Corporate assets* | 267 | 227 |
| Total | 267 | 227 |

* 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, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|---|--|---|
| Intersegment eliminations | — | — |
| Corporate assets* | 70 | 132 |
| Total | 70 | 132 |

* 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, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|--|--|---|
| Net assets per share | 3,907.81 yen | 3,657.38 yen |
| Profit and loss (Δ) per share | Δ 944.97 yen | Δ 294.52 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, 2021 – March 31, 2022) | Current fiscal year (April 1, 2022 – March 31, 2023) |
|---|--|---|
| Profit and loss (Δ) attributable to owners of parent (millions of yen) | Δ 9,651 | Δ 3,007 |
| 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 9,651 | Δ 3,007 |
| Average number of common stock (thousand shares) | 10,213 | 10,212 |

Significant Subsequent Event

There are no applicable items.