

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 5, 2021

Company name: YAMADA Consulting Group Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4792 URL <https://www.yamada-cg.co.jp>
 Representative: President Keisaku Masuda
 Director and General Manager of Administration Department Hideji Shuto TEL 03-6212-2500
 Scheduled date to file Quarterly Securities Report: August 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2021	2,533	(0.3)	(66)	–	(72)	–	(60)	–
Three months ended June 30, 2020	2,544	(7.8)	(60)	–	(66)	–	(250)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	(3.17)		–	
Three months ended June 30, 2020	(13.20)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	15,757	12,217	76.7
As of March 31, 2021	16,892	12,733	74.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	15.00	–	22.00	37.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		18.00	–	19.00	37.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	14,100	(7.9)	2,100	(6.7)	2,100	(9.5)	1,400	0.4	73.64

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2021	19,896,000 shares	As of March 31, 2021	19,896,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	895,090 shares	As of March 31, 2021	895,090 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	19,000,910 shares	Three months ended June 30, 2020	18,999,217 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	10,391,915	9,502,820
Notes and accounts receivable - trade	1,164,854	874,276
Operational investment securities	2,194,889	2,194,889
Merchandise and finished goods	100,935	109,138
Raw materials and supplies	116	116
Other	432,609	461,612
Allowance for doubtful accounts	(44,923)	(44,883)
Total current assets	14,240,397	13,097,970
Non-current assets		
Property, plant and equipment	450,478	433,745
Intangible assets		
Goodwill	514	485
Other	157,458	147,500
Total intangible assets	157,972	147,986
Investments and other assets		
Investment securities	687,960	681,875
Leasehold and guarantee deposits	643,902	644,353
Deferred tax assets	225,213	271,397
Other	486,766	480,102
Total investments and other assets	2,043,843	2,077,729
Total non-current assets	2,652,294	2,659,460
Total assets	16,892,691	15,757,431
Liabilities		
Current liabilities		
Notes and accounts payable - trade	269,725	196,109
Short-term borrowings	2,000,000	2,000,000
Income taxes payable	503,980	236,962
Provision for bonuses	130,540	258,436
Other	1,175,377	774,303
Total current liabilities	4,079,624	3,465,812
Non-current liabilities		
Deferred tax liabilities	12,082	13,345
Other	67,931	61,047
Total non-current liabilities	80,014	74,392
Total liabilities	4,159,638	3,540,205

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,526,001	1,526,001
Retained earnings	9,944,451	9,466,192
Treasury shares	(523,772)	(523,772)
Total shareholders' equity	12,546,218	12,067,959
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,211	12,532
Foreign currency translation adjustment	12,330	8,721
Total accumulated other comprehensive income	31,542	21,254
Share acquisition rights	30,919	32,532
Non-controlling interests	124,372	95,478
Total net assets	12,733,052	12,217,225
Total liabilities and net assets	16,892,691	15,757,431

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	2,544,003	2,533,949
Cost of sales	407,654	276,991
Gross profit	2,136,348	2,256,958
Selling, general and administrative expenses	2,196,983	2,323,279
Operating loss	(60,635)	(66,320)
Non-operating income		
Interest income	3,004	3,197
Subsidy income	4,041	1,045
Other	1,780	3,439
Total non-operating income	8,825	7,682
Non-operating expenses		
Interest expenses	938	1,674
Loss on investments in investment partnerships	–	1,324
Foreign exchange losses	3,002	4,176
Commission expenses	5,916	5,916
Other	5,123	469
Total non-operating expenses	14,980	13,561
Ordinary loss	(66,789)	(72,199)
Extraordinary losses		
Special executive bonuses	300,000	–
Total extraordinary losses	300,000	–
Loss before income taxes	(366,789)	(72,199)
Income taxes - current	28,873	29,859
Income taxes - deferred	(135,647)	(39,264)
Total income taxes	(106,773)	(9,404)
Loss	(260,015)	(62,795)
Loss attributable to non-controlling interests	(9,149)	(2,557)
Loss attributable to owners of parent	(250,866)	(60,238)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Loss	(260,015)	(62,795)
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,340)	(6,679)
Foreign currency translation adjustment	(3,249)	(7,756)
Total other comprehensive income	(14,590)	(14,435)
Comprehensive income	(274,605)	(77,231)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(265,748)	(70,525)
Comprehensive income attributable to non-controlling interests	(8,857)	(6,705)

Consolidated statements of cash flows

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities		
Loss before income taxes	(366,789)	(72,199)
Depreciation	30,899	33,532
Amortization of goodwill	28	28
Increase (decrease) in provision for bonuses	115,059	127,896
Interest and dividend income	(3,004)	(3,197)
Interest expenses	938	1,674
Foreign exchange losses (gains)	3,002	4,176
Special executive bonuses	300,000	–
Loss (gain) on investments in investment partnerships	–	1,324
Decrease (increase) in investment securities for sale	(122,221)	–
Decrease (increase) in trade receivables	582,328	290,577
Decrease (increase) in inventories	(8,992)	(8,202)
Increase (decrease) in trade payables	67,813	(73,616)
Decrease (increase) in other assets	35,814	(20,664)
Increase (decrease) in other liabilities	(650,711)	(459,293)
Subtotal	<u>(15,835)</u>	<u>(177,963)</u>
Interest and dividends received	253	376
Interest paid	–	(2,513)
Payments for special executive bonuses	(300,000)	–
Income taxes paid	<u>(603,230)</u>	<u>(238,904)</u>
Net cash provided by (used in) operating activities	<u>(918,811)</u>	<u>(419,004)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,248)	(9,363)
Purchase of intangible assets	(17,121)	(92)
Purchase of investment securities	(200)	(4,925)
Cash dividends income to Investment securities	524	260
Payments of leasehold and guarantee deposits	(28,167)	(1,982)
Proceeds from refund of leasehold and guarantee deposits	<u>2,732</u>	<u>352</u>
Net cash provided by (used in) investing activities	<u>(62,480)</u>	<u>(15,751)</u>
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,500,000	–
Proceeds from received an investment to non-controlling shareholders	1,701	–
Payment of dividends to non-controlling interests	–	(22,188)
Proceeds from disposal of treasury shares	2,881	–
Purchase of treasury shares	(55)	–
Dividends paid	(436,957)	(418,020)
Other, net	<u>8,192</u>	<u>(4,190)</u>
Net cash provided by (used in) financing activities	<u>1,075,762</u>	<u>(444,398)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(4,887)</u>	<u>(9,886)</u>
Net increase (decrease) in cash and cash equivalents	<u>89,583</u>	<u>(889,040)</u>
Cash and cash equivalents at beginning of period	<u>6,055,915</u>	<u>10,195,034</u>
Cash and cash equivalents at end of period	<u>6,145,498</u>	<u>9,305,993</u>