

Translation

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

November 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: November 12, 2021
 Scheduled date to commence dividend payments: December 6, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	5,855	4.2	528	116.1	532	141.5	334	–
Six months ended September 30, 2020	5,618	(10.8)	244	(73.3)	220	(75.3)	(44)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	17.61		–	
Six months ended September 30, 2020	(2.35)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	16,112	12,661	77.6
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				
Year ended March 31, 2021	–	15.00	–	22.00	37.00
Year ending March 31, 2022	–	18.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	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 six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 September 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 September 30, 2021	82,189 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)

Six months ended September 30, 2021	19,005,563 shares	Six months ended September 30, 2020	19,000,069 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	10,391,915	8,479,799
Notes and accounts receivable - trade	1,164,854	970,986
Operational investment securities	2,194,889	3,694,925
Merchandise and finished goods	100,935	110,057
Raw materials and supplies	116	116
Other	432,609	369,834
Allowance for doubtful accounts	(44,923)	(45,118)
Total current assets	14,240,397	13,580,599
Non-current assets		
Property, plant and equipment	450,478	423,904
Intangible assets		
Goodwill	514	457
Other	157,458	137,463
Total intangible assets	157,972	137,920
Investments and other assets		
Investment securities	687,960	702,527
Leasehold and guarantee deposits	643,902	658,963
Deferred tax assets	225,213	139,763
Other	486,766	468,665
Total investments and other assets	2,043,843	1,969,920
Total non-current assets	2,652,294	2,531,745
Total assets	16,892,691	16,112,345
Liabilities		
Current liabilities		
Notes and accounts payable - trade	269,725	207,702
Short-term borrowings	2,000,000	2,000,000
Income taxes payable	503,980	241,452
Provision for bonuses	130,540	137,170
Other	1,175,377	781,448
Total current liabilities	4,079,624	3,367,774
Non-current liabilities		
Deferred tax liabilities	12,082	16,496
Other	67,931	66,226
Total non-current liabilities	80,014	82,722
Total liabilities	4,159,638	3,450,497

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,526,001	1,533,907
Retained earnings	9,944,451	9,861,249
Treasury shares	(523,772)	(516,223)
Total shareholders' equity	12,546,218	12,478,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,211	12,736
Foreign currency translation adjustment	12,330	12,161
Total accumulated other comprehensive income	31,542	24,898
Share acquisition rights	30,919	33,891
Non-controlling interests	124,372	124,586
Total net assets	12,733,052	12,661,848
Total liabilities and net assets	16,892,691	16,112,345

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	5,618,293	5,855,579
Cost of sales	884,886	661,710
Gross profit	4,733,407	5,193,869
Selling, general and administrative expenses	4,488,941	4,665,459
Operating profit	244,466	528,410
Non-operating income		
Interest income	8,951	9,589
Foreign exchange gains	–	9,105
Subsidy income	10,122	2,247
Other	8,613	2,432
Total non-operating income	27,687	23,374
Non-operating expenses		
Interest expenses	2,583	3,328
Loss on investments in investment partnerships	5,142	2,191
Foreign exchange losses	14,059	–
Commission expenses	12,030	11,833
Other	17,715	1,451
Total non-operating expenses	51,530	18,805
Ordinary profit	220,623	532,979
Extraordinary losses		
Loss on retirement of non-current assets	2,179	–
Special executive bonuses	300,000	–
Total extraordinary losses	302,179	–
Profit (loss) before income taxes	(81,556)	532,979
Income taxes - current	74,446	87,603
Income taxes - deferred	(102,090)	96,658
Total income taxes	(27,643)	184,262
Profit (loss)	(53,912)	348,717
Profit (loss) attributable to non-controlling interests	(9,094)	13,899
Profit (loss) attributable to owners of parent	(44,818)	334,817

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	(53,912)	348,717
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,143)	(6,475)
Foreign currency translation adjustment	(6,949)	(6,781)
Total other comprehensive income	(20,092)	(13,256)
Comprehensive income	(74,005)	335,460
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(64,603)	328,174
Comprehensive income attributable to non-controlling interests	(9,402)	7,286

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(81,556)	532,979
Depreciation	65,612	68,439
Amortization of goodwill	57	57
Increase (decrease) in provision for bonuses	(4,690)	6,630
Interest and dividend income	(8,951)	(9,589)
Interest expenses	2,583	3,328
Foreign exchange losses (gains)	14,059	(9,105)
Special executive bonuses	300,000	–
Loss (gain) on investments in investment partnerships	5,142	2,191
Decrease (increase) in investment securities for sale	79,655	(1,500,035)
Loss on retirement of non-current assets	2,179	–
Decrease (increase) in trade receivables	559,908	193,868
Decrease (increase) in inventories	(7,218)	(9,121)
Increase (decrease) in trade payables	(74,902)	(62,023)
Decrease (increase) in other assets	83,936	74,052
Increase (decrease) in other liabilities	(715,132)	(437,393)
Subtotal	220,683	(1,145,720)
Interest and dividends received	9,039	9,599
Interest paid	(818)	(3,343)
Payments for special executive bonuses	(300,000)	–
Income taxes paid	(746,483)	(281,516)
Net cash provided by (used in) operating activities	(817,578)	(1,420,981)
Cash flows from investing activities		
Purchase of property, plant and equipment	(37,543)	(24,879)
Purchase of intangible assets	(18,149)	(92)
Purchase of investment securities	(50,867)	(21,530)
Proceeds from the dividend of investment securities	524	275
Payments of leasehold and guarantee deposits	(65,434)	(6,150)
Proceeds from refund of leasehold and guarantee deposits	2,732	1,496
Net cash provided by (used in) investing activities	(168,737)	(50,880)
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	15,504
the amount of payment of the dividend to non-controlling shareholders	(11,729)	(22,576)
Proceeds from disposal of treasury shares	2,881	–
Purchase of treasury shares	(55)	–
Dividends paid	(436,957)	(418,020)
Other, net	7,986	(8,380)
Net cash provided by (used in) financing activities	1,063,826	(433,472)
Effect of exchange rate change on cash and cash equivalents	(11,929)	(7,292)
Net increase (decrease) in cash and cash equivalents	65,580	(1,912,626)
Cash and cash equivalents at beginning of period	6,055,915	10,195,034
Cash and cash equivalents at end of period	6,121,495	8,282,407