

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 4, 2022

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
 Inquiries: Administration Department
 Scheduled date to file Quarterly Securities Report: February 10, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	9,597	10.2	1,321	105.9	1,336	123.9	899	425.6
Nine months ended December 31, 2020	8,708	(6.1)	641	(44.8)	596	(48.3)	171	(77.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	47.29		–	
Nine months ended December 31, 2020	9.00		9.00	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	16,486	12,925	77.3
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 nine months ended December 31, 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 December 31, 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 December 31, 2021	882,189 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)

Nine months ended December 31, 2021	19,008,323 shares	Nine months ended December 31, 2020	19,000,350 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	10,391,915	8,218,841
Notes and accounts receivable - trade	1,164,854	983,394
Operational investment securities	2,194,889	4,415,815
Merchandise and finished goods	100,935	103,231
Raw materials and supplies	116	116
Other	432,609	382,132
Allowance for doubtful accounts	(44,923)	(46,643)
Total current assets	14,240,397	14,056,888
Non-current assets		
Property, plant and equipment	450,478	474,555
Intangible assets		
Goodwill	514	428
Other	157,458	127,616
Total intangible assets	157,972	128,045
Investments and other assets		
Investment securities	687,960	715,343
Leasehold and guarantee deposits	643,902	608,222
Deferred tax assets	225,213	36,115
Other	486,766	466,854
Total investments and other assets	2,043,843	1,826,536
Total non-current assets	2,652,294	2,429,137
Total assets	16,892,691	16,486,025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	269,725	237,558
Short-term borrowings	2,000,000	2,000,000
Income taxes payable	503,980	218,342
Provision for bonuses	130,540	–
Other	1,175,377	1,024,634
Total current liabilities	4,079,624	3,480,535
Non-current liabilities		
Deferred tax liabilities	12,082	17,315
Other	67,931	62,704
Total non-current liabilities	80,014	80,020
Total liabilities	4,159,638	3,560,555

(Thousands of yen)

	As of March 31, 2021	As of December 31, 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	10,083,245
Treasury shares	(523,772)	(516,223)
Total shareholders' equity	12,546,218	12,700,467
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,211	9,062
Foreign currency translation adjustment	12,330	39,724
Total accumulated other comprehensive income	31,542	48,786
Share acquisition rights	30,919	35,249
Non-controlling interests	124,372	140,965
Total net assets	12,733,052	12,925,469
Total liabilities and net assets	16,892,691	16,486,025

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	8,708,304	9,597,137
Cost of sales	1,249,548	1,168,511
Gross profit	7,458,755	8,428,626
Selling, general and administrative expenses	6,816,891	7,106,944
Operating profit	641,864	1,321,682
Non-operating income		
Interest income	11,892	12,948
Foreign exchange gains	–	27,034
Subsidy income	12,172	2,361
Other	17,087	5,971
Total non-operating income	41,152	48,316
Non-operating expenses		
Interest expenses	4,244	4,961
Loss on investments in investment partnerships	5,142	2,191
Foreign exchange losses	40,673	–
Commission expenses	17,946	17,749
Other	18,018	8,182
Total non-operating expenses	86,026	33,085
Ordinary profit	596,990	1,336,912
Extraordinary losses		
Loss on valuation of investment securities	46,379	–
Loss on retirement of non-current assets	2,285	–
Special executive bonuses	300,000	–
Total extraordinary losses	348,665	–
Profit before income taxes	248,325	1,336,912
Income taxes - current	92,379	214,795
Income taxes - deferred	(11,559)	203,026
Total income taxes	80,819	417,822
Profit	167,505	919,090
Profit (loss) attributable to non-controlling interests	(3,533)	20,027
Profit attributable to owners of parent	171,038	899,062

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	167,505	919,090
Other comprehensive income		
Valuation difference on available-for-sale securities	2,379	(10,149)
Foreign currency translation adjustment	(3,433)	25,051
Total other comprehensive income	(1,053)	14,901
Comprehensive income	166,451	933,991
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	168,697	916,307
Comprehensive income attributable to non-controlling interests	(2,246)	17,684

Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	248,325	1,336,912
Depreciation	100,527	105,348
Amortization of goodwill	85	85
Increase (decrease) in provision for bonuses	(135,938)	(130,540)
Interest and dividend income	(11,892)	(12,948)
Interest expenses	4,244	4,961
Foreign exchange losses (gains)	40,673	(27,034)
Special executive bonuses	300,000	–
Loss (gain) on investments in investment partnerships	5,142	2,191
Decrease (increase) in investment securities for sale	85,662	(2,220,926)
Loss (gain) on valuation of investment securities	46,379	–
Loss on retirement of non-current assets	2,285	–
Decrease (increase) in trade receivables	630,909	181,460
Decrease (increase) in inventories	(6,631)	(2,296)
Increase (decrease) in trade payables	(62,158)	(32,166)
Decrease (increase) in other assets	79,985	68,702
Increase (decrease) in other liabilities	(542,283)	(297,069)
Subtotal	785,316	(1,023,319)
Interest and dividends received	9,318	9,961
Interest paid	(3,280)	(5,779)
Payments for special executive bonuses	(300,000)	–
Income taxes paid	(794,963)	(386,158)
Net cash provided by (used in) operating activities	(303,609)	(1,405,295)
Cash flows from investing activities		
Purchase of property, plant and equipment	(73,458)	(44,568)
Purchase of intangible assets	(18,149)	(92)
Purchase of investment securities	(50,907)	(22,977)
toushiyuukasyoukennkaranobunnpai	4,326	275
Payments of leasehold and guarantee deposits	(65,970)	(6,322)
Proceeds from refund of leasehold and guarantee deposits	3,107	51,365
Net cash provided by (used in) investing activities	(201,052)	(22,320)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,500,000	–
Proceeds from received an investment to non-controlling shareholders	1,950	22,791
Proceeds from disposal of treasury shares	2,881	–
Purchase of treasury shares	(55)	–
Dividends paid	(711,532)	(760,268)
the amount of payment of the dividend to non-controlling shareholders	(11,729)	(23,881)
Other, net	7,741	(12,571)
Net cash provided by (used in) financing activities	789,255	(773,930)
Effect of exchange rate change on cash and cash equivalents	(12,242)	26,654
Net increase (decrease) in cash and cash equivalents	272,350	(2,174,891)
Cash and cash equivalents at beginning of period	6,055,915	10,195,034
Cash and cash equivalents at end of period	6,328,265	8,020,142