

Notice: This English translation is for reference purposes only. In the event a difference with the original Japanese version arises herein, the original shall prevail.

Financial Results for the First Half of the Fiscal Year Ending March 31,2023

November 11, 2022



YAMADA Consulting Group Co., Ltd.

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FY2022 1H Results and Full-year Forecast



1. FY2022 1H Results [1] Consolidated Highlights

- Net Sales were up by 15.6% to 6,773 million yen year on year. Gross and Operating Profits both significantly increased, the former up by 13.9% to 5,918 million yen, while the latter up by 42.7% to 754 million yen.
- Major factors to boost the sales include robust inflows of inquiries and orders in the consulting business, which contributed Net Sales in the business up by 944 million yen. (On the other hand, in the investment business, Net Sales were down by 26 million yen because no shares of portfolio companies were sold.)
- Selling, general and administrative (SG&A) expenses were largely in line with the forecast, despite increases in personnel and system costs.

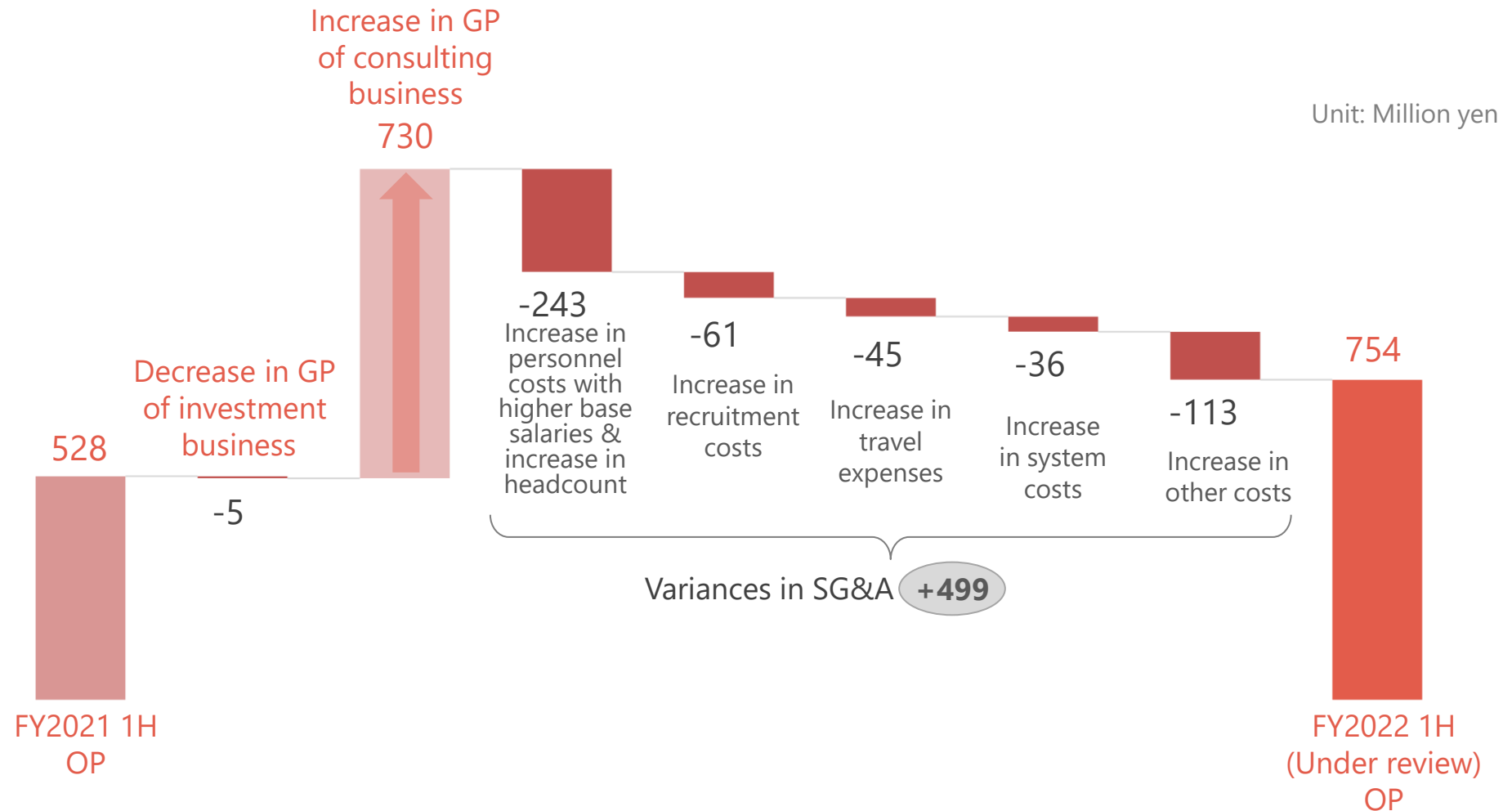
Unit: Million yen

	FY2021 1H Consolidated Results	FY2022 1H Consolidated Results	YoY	Forecast for FY2022 announced on May 9, 2022	Progress rate
Net Sales	5,855	6,773	+15.6%	16,680	40.6%
Gross Profit	5,193	5,918	+13.9%	13,360	44.3%
Operating Profit	528	754	+42.7%	2,700	27.9%
Ordinary Profit	532	909*	+70.5%	2,660	34.1%
Profit attributable to owners of parent	334	623	+86.1%	1,770	35.2%

*: Foreign exchange gains of 169 million yen related to foreign currency denominated assets such as U.S. Treasury securities were recorded as non-operating income.

1. FY2022 1H Results [2] Factors Affected Operating Profit

- Gross Profit in the consulting business were significantly up by 730 million yen, while Gross Profit in the investment business were down by 5 million yen, year on year.
- SG&A expenses were up by 499 million yen with increases in personnel and recruitment costs, due to higher base salaries, a larger headcount, and active recruitment activities.

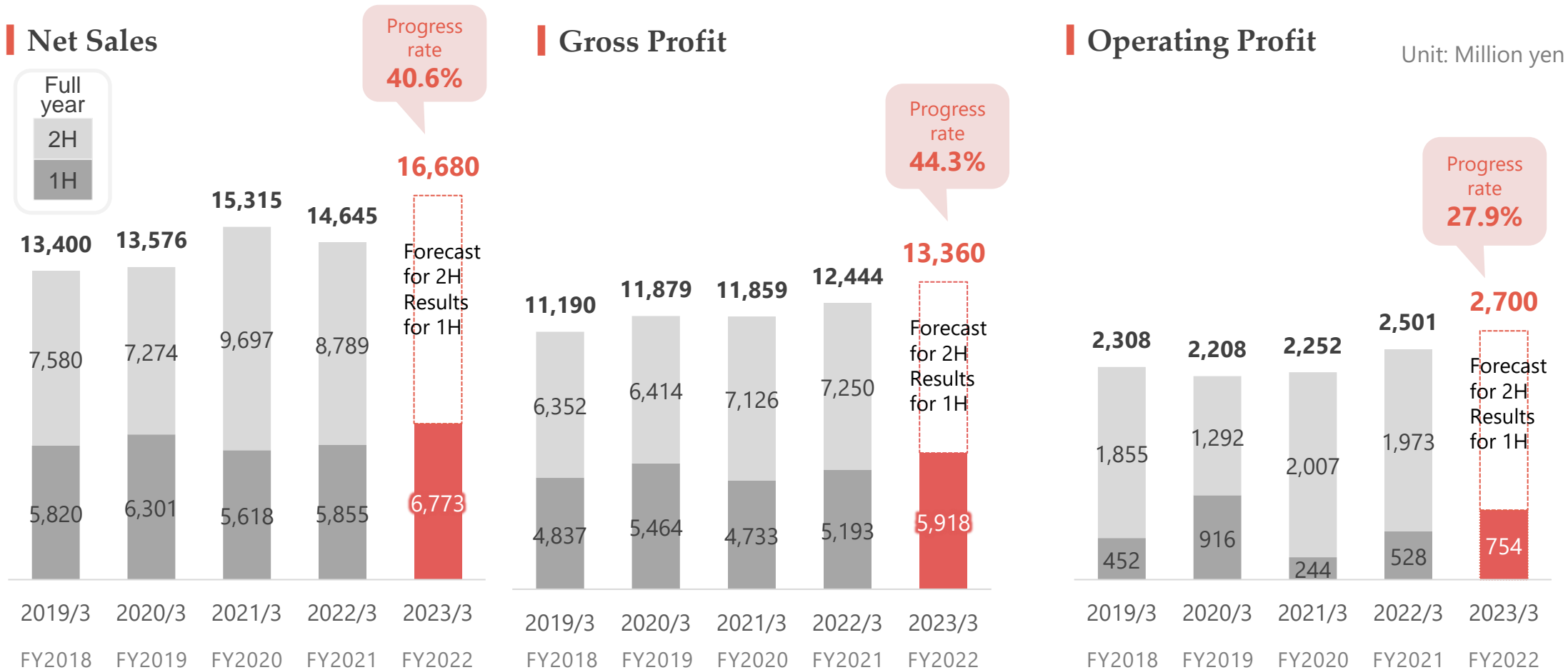


1. FY2022 1H Results [3] Consolidated Annual Results

- Gross Profit was solid in FY2022 1H, despite being partly affected by the COVID-19 pandemic in FY2020.
- In FY2019 and FY2020, we made significant increases in salary levels to retain people. It hiked the amount of personnel costs and thus resulted in unchanged operating profit levels in the relevant years.

Year on year personnel expenses: FY2019 (2020/3): +943 million yen, FY2020 (2021/3): +356 million yen

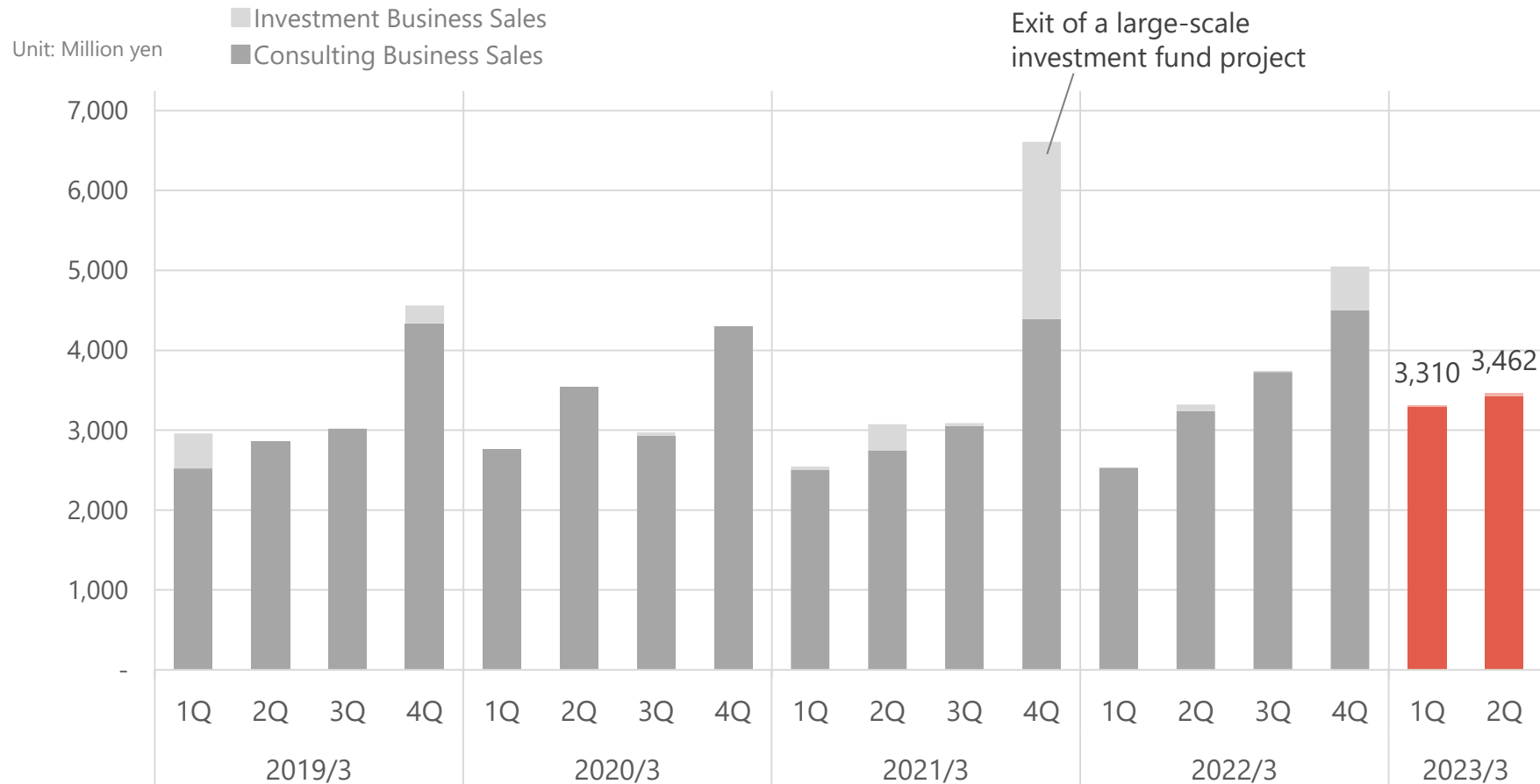
- Net Sales were 6,773 million yen in FY2022 1H, an all-time high in an apple-to-apple comparison.



1. FY2022 1H Results [4] Consolidated Quarterly Sales

- Our sales typically concentrate on the second half of the fiscal year.
- Meanwhile, quarterly sales amounts tend to widely vary, especially in recent years, depending on when large-scale M&A contracts are signed or when fund projects exit.

Net Sales by Quarter



Note: Investment and consulting business sales from FY2018 (2019/3) through FY2021 (2022/3) were reclassified into the new segment and recalculated accordingly.

1. FY2022 1H Results [5] Consolidated Cash Flow

Unit: Million yen

	FY2021 1H Consolidated results	FY2022 1H Consolidated results
Cash and cash equivalents at beginning of period	10,195	9,662
Cash flows from operating activities	-1,420	-2,475
Profit before income taxes	532	909
Decrease/increase in investment securities for sale	-1,509	-2,364
Income tax paid	-281	-765
Decrease/increase in other CF from operating activities	-162	-255
Cash flows from investing activities	-50	-177
Purchase of property, plant, and equipment	-24	-115
Purchase of investment securities	-21	-9
Payments for long-term loans receivable	-	-55
Decrease/increase in other CF from investing activities	-5	2
Cash flows from financing activities*	-440	96
Increase/decrease in short-term borrowings	-	501
Dividends paid	-418	-532
Decrease/increase in other CF from financing activities	-22	127
Net increase/decrease in cash and cash equivalents	-1,912	-2,556
Cash and cash equivalents at the end of the period	8,282	7,105

❑ Cash flows from operating activities significantly vary depending on the investments or sales made through the investment business in the relevant period.

❑ The decreases/increases in investment securities for sale were mainly attributable to investments in equity and real estate in the investment business.

❑ Loans to non-consolidated subsidiaries.

*: Cash flows from financing activities include the effect of exchange rate changes on cash and cash equivalents.

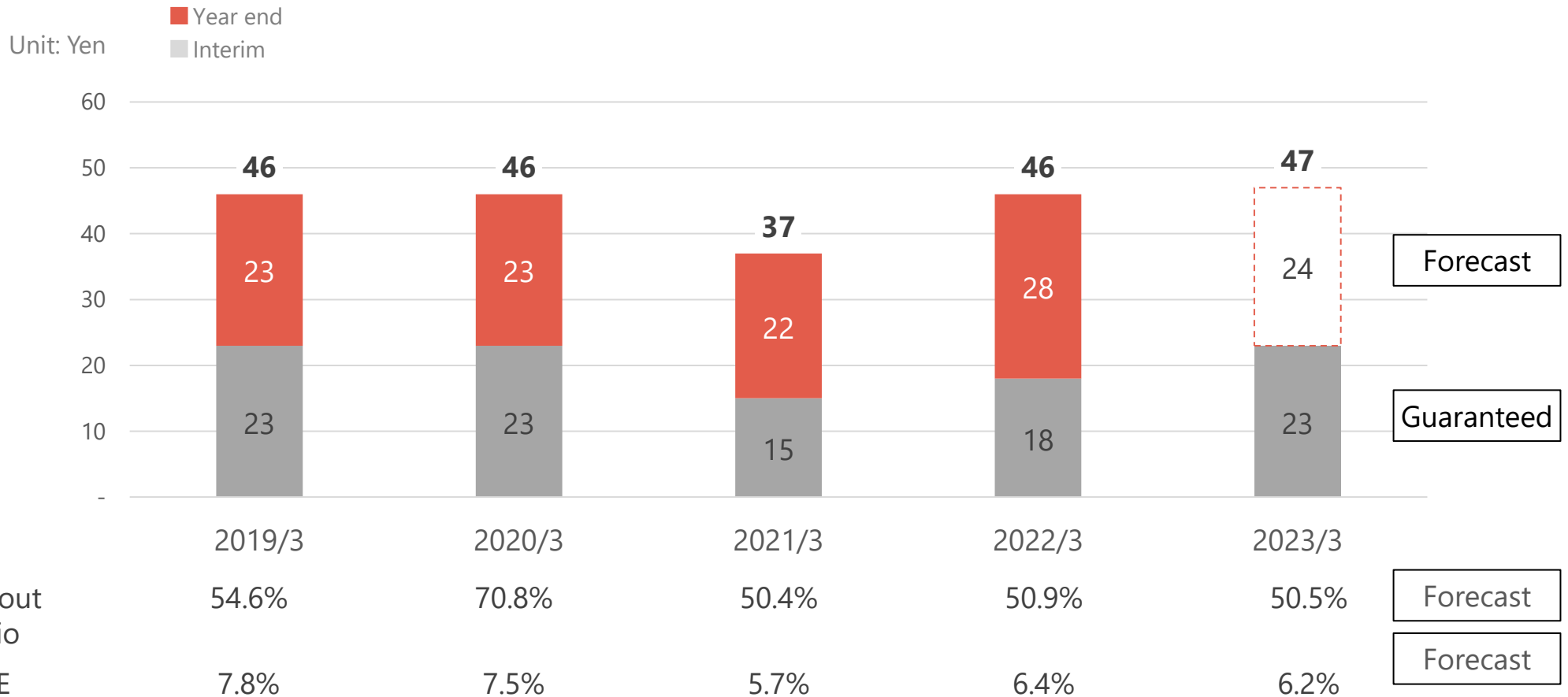
2. Shareholder Return

Basic Policy on Dividend

With the recognition that shareholder returns are one of our business management’s important tasks, we continuously aim to maintain a **high and stable dividend** capacity.

Payout Ratio Up to 50%

Dividend on Equity (DOE) Ratio Aiming for 5% of DOE

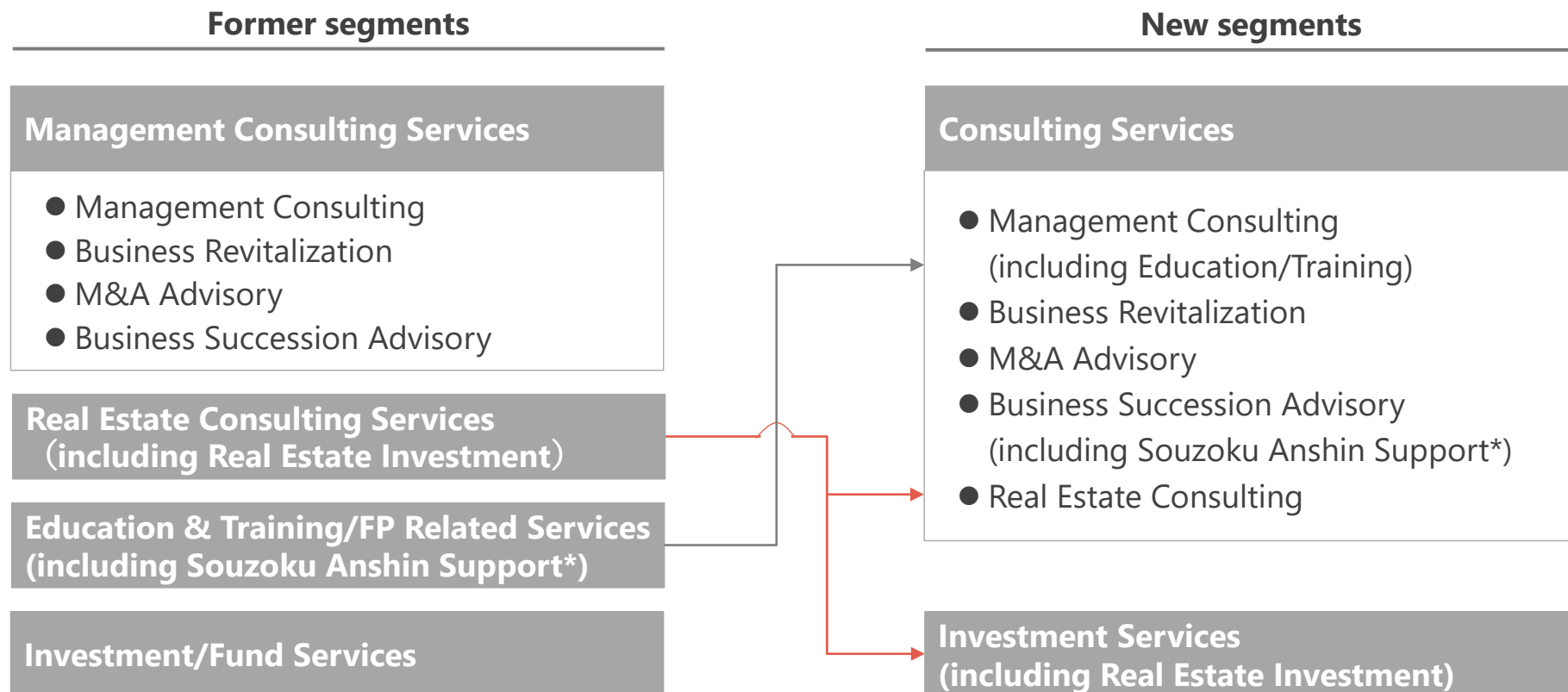


By-Segment FY2022 1H Results and Full-year Forecast



1. Changes to Reportable Segments

- As a comprehensive consulting service provider, we try to do our best in solving all kinds of challenges our clients face, in line with our company-wide strategy: To maximize clients' lifetime value.
- Under the renewed segmentation, we include the education and training/FP related and real estate consulting in the consulting services and do the planning and performance management accordingly.
- The real estate investment business was previously under the Real Estate Consulting Services as a consulting service. Given its nature, however, we have recategorized it as an investment service to further promote the business.



*: Support services for inheritance-related procedures.

2. Consulting Services: FY2022 1H Results and FY2022 Full-year Forecast

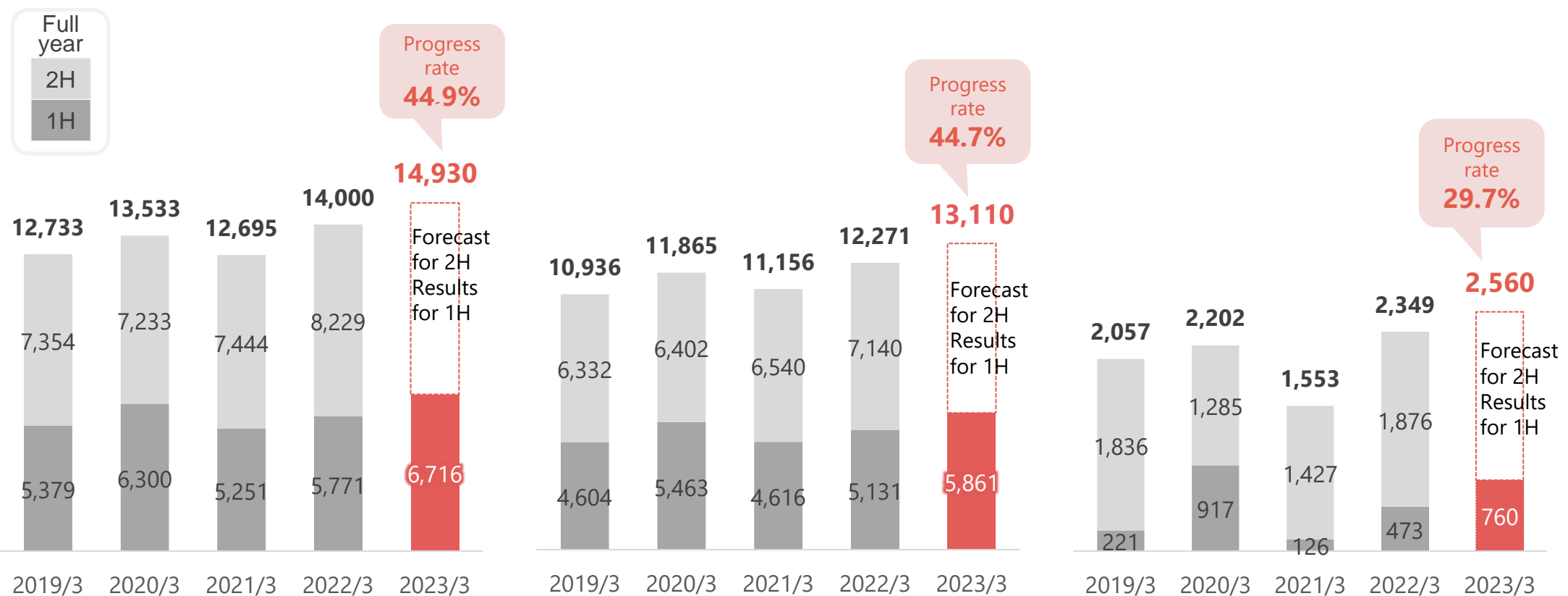
- Both Net Sales and Operating Profit were increased year on year with the former up by 16.3% to 6,716 million yen and the latter up by 60.8% to 760 million yen.
- In the management consulting, we saw robust inflows of inquiries and orders with an increased number of clients seeking various solutions, including sustainable growth and IT/digital strategies.
- In M&A advisory and business succession advisory, we also received constantly solid numbers of inquiries and contracts signed.

Net Sales

Gross Profit

Operating Profit

Unit: Million yen



Note: Consulting business sales from FY2018 (2019/3) through FY2021 (2022/3) were reclassified into the new segment and recalculated accordingly.

2. Consulting Services: Features and Net Sales by Business Category

Management Consulting

We provide solutions hand in hand with clients, including SMEs, listed companies, and leading medium-sized firms with a sound financial base. A wide range of management issues we address span IT/digital/organizational strategies and corporate governance. Through the course, we help clients grow sustainably and solve important management issues, including people-centered management that contributes to society, organizational revitalization, and digitalization.

Business Succession Advisory

We contribute to stimulation of local economies in Japan by supporting the revitalization of clients' business. We help clients improve their core business performance (profitability) and stabilize their finances, always closely cooperating with them.

M&A Advisory

Viewing M&A as an extension of consulting services, we provide high value-added M&A advisory services to meet various client needs, including growth and survival of clients, revitalization of local economies, and industry restructuring.

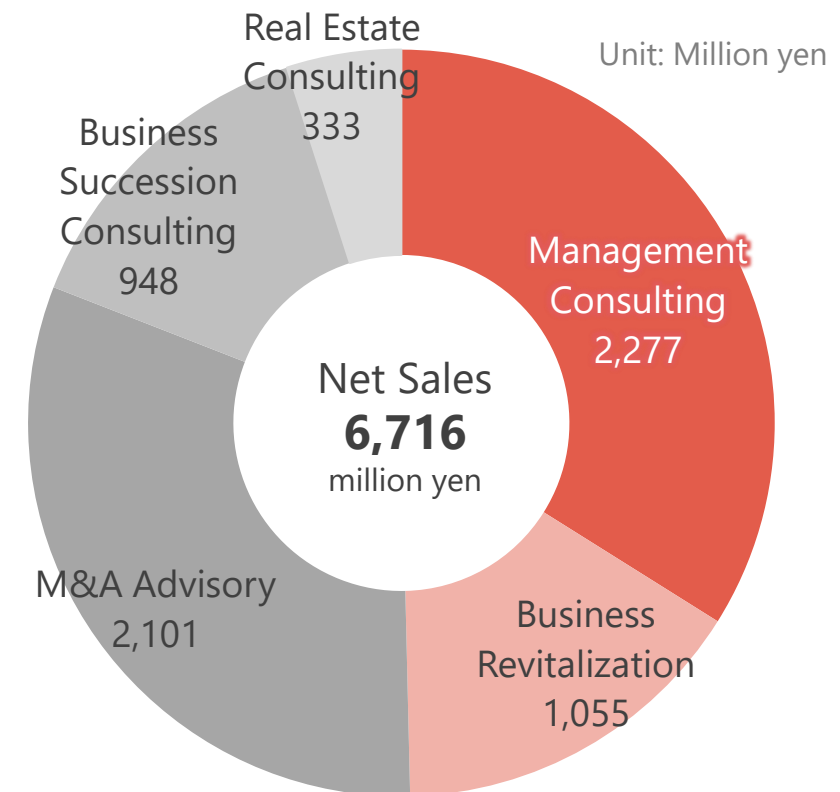
Business Succession Advisory

Based on providing high-quality business succession support services, we first nurture close relationships with clients (e.g., business owners). We then respond and contribute to all kinds of consultations regarding their business management and assets owned by the business owners.

Real Estate Consulting

By closely coordinating with other consulting business members, we solve real estate related issues for clients.

Net Sales of Consulting Services by Business Field



2. Consulting Services: M&A Advisory Business Results

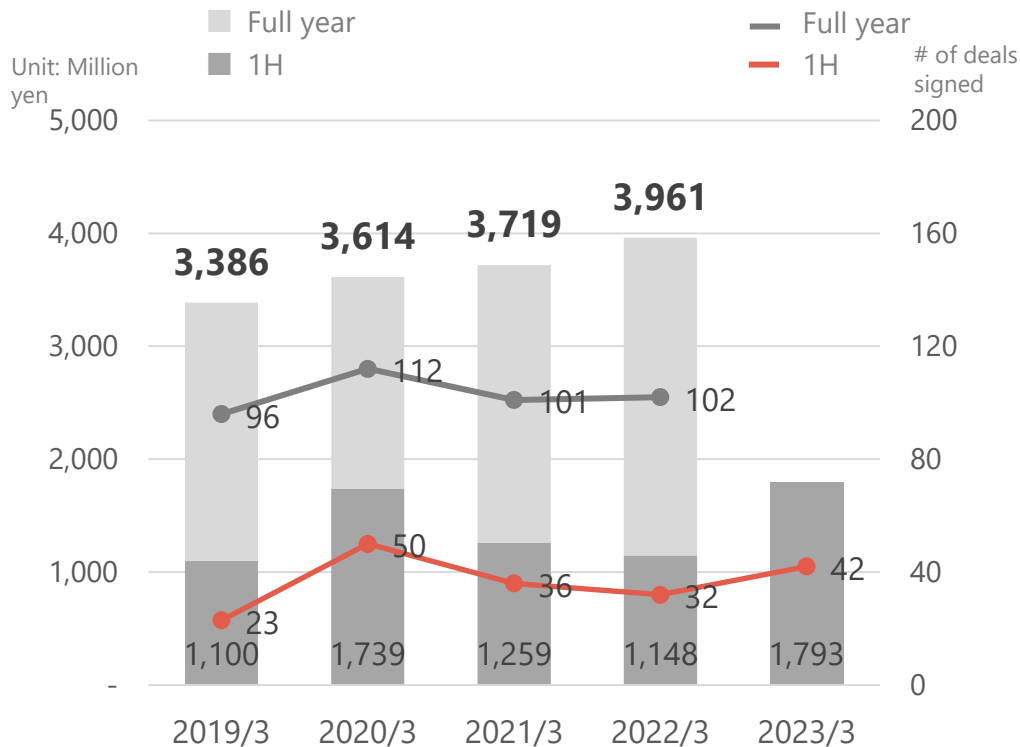
- **We leverage our diverse consulting expertise to add value to M&A deals to meet our clients' needs.**
- M&A related Gross Profit in FY2022 1H was 1,793 million yen (42 deals).
- We ranked 16th in the M&A league table*¹ and 9th in the mid-market*², released by Refinitiv Japan.

*1: Refinitiv Japan's M&A review on publicly disclosed deals in Japan in 2022 1H: Ranking of financial advisors in value terms for Japanese companies, including their affiliates.

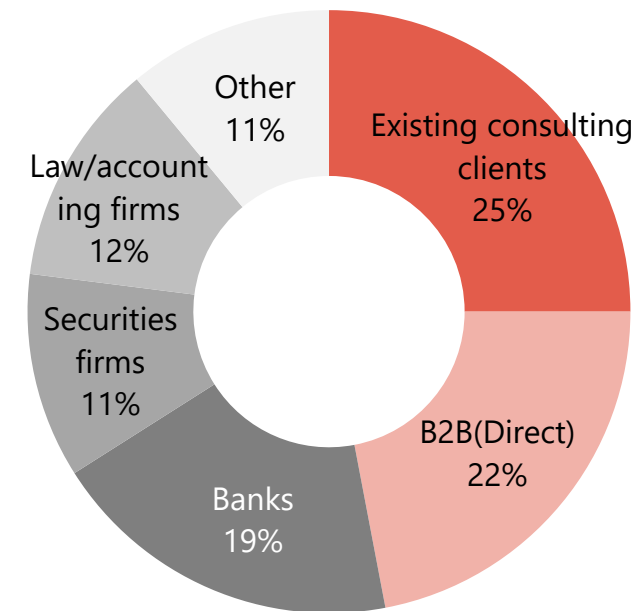
*2: Refinitiv Japan's M&A review on publicly disclosed deals in the mid-market (up to 100 million dollars) in Japan in 2021 1H: Ranking of financial advisors in value terms.

Annual M&A Achievements

(Gross profit in value and number of deals)



Composition of Sales from Clients by Channel (FY2022 1H)



Note: The amount represents gross profit after sharing consulting fee with joint financial advisors.

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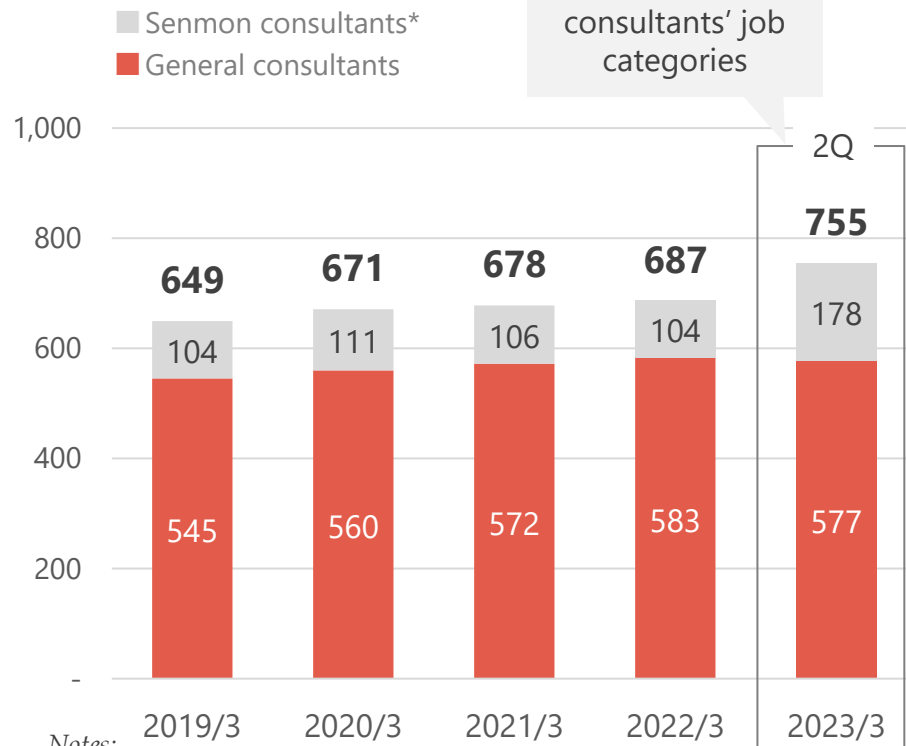
Note: The numbers of deals in the graph on the left and the above sales composition ratios by channel are calculated based on the number of M&A deals signed.

2. Consulting Services: Number of consultants, projects, and clients

- As inquiry inflows were robust in all business categories, it is essential for us to acquire and retain excellent human resources to meet client needs.
- In addition to General consultants, we are now strengthening the recruitment and training of Senmon consultants*, focusing women, and also actively recruiting and providing opportunities for senior personnel with management experience at operating companies and relevant expertise.

*: Senmon consultants are who exercise specialized skills within a limited scope of work (e.g., data research and analysis) required for consulting work.

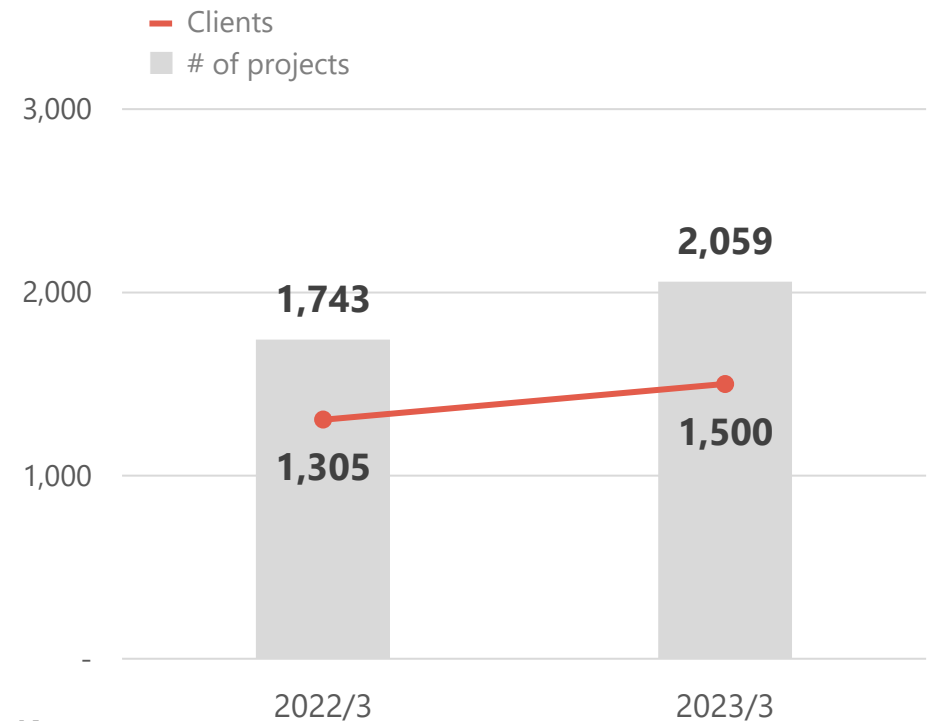
Number of Consultants



Notes:

-As of September 30 for FY2022 (2023/3) and as of March 31 for FY2021 (2022/3) and previous years (calculated by reclassifying to the new segments).
 -After a review of job categories in April 2022, 3 people were transferred from General consultant to Senmon consultant positions, while 48 were from Corporate staff to Senmon consultant positions.

Number of Projects and Clients (FY2022 1H)



Notes:

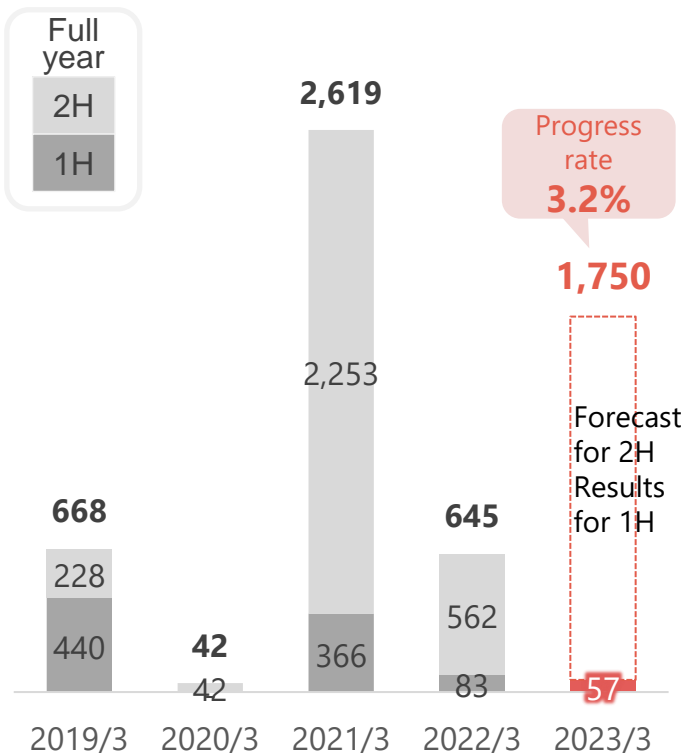
-The number of projects represents the figures recorded as sales by September 30 of each year.
 -The number of clients were determined after doing name-based aggregation using the data of the number of projects.
 -The above numbers excluded the following: projects under the control of overseas offices of the Global Business Department, the Real Estate Consulting Business, and part of the projects under the control of Education and Training Business Planning Business.

3. Investment Services: FY2022 1H Results and Full-year Forecast

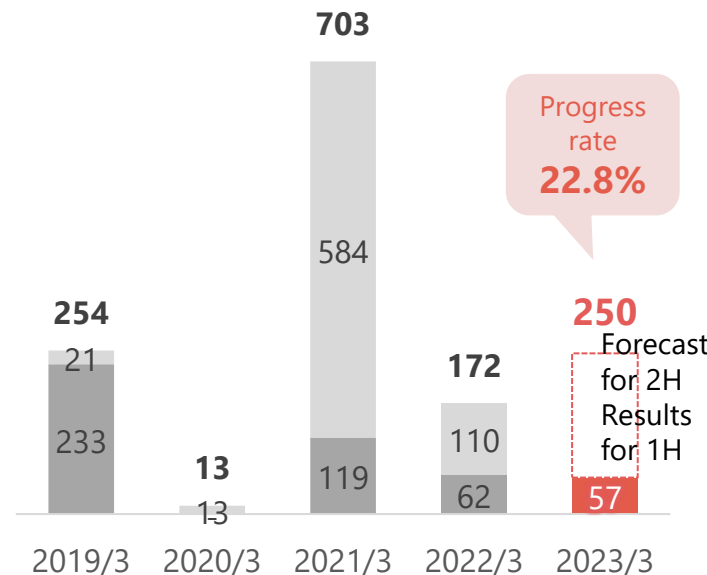
- We posted Operating Loss of 6 million yen in the investment business, as no shares of our investees were sold in FY2022 1H.
- During the period, we newly invested 2,151 million yen in equity and 204 million yen in the real estate.

Note: Balance of operational investment securities: 6,116 million yen, balance of investment in real estate: 291 million (As of September 30, 2022)

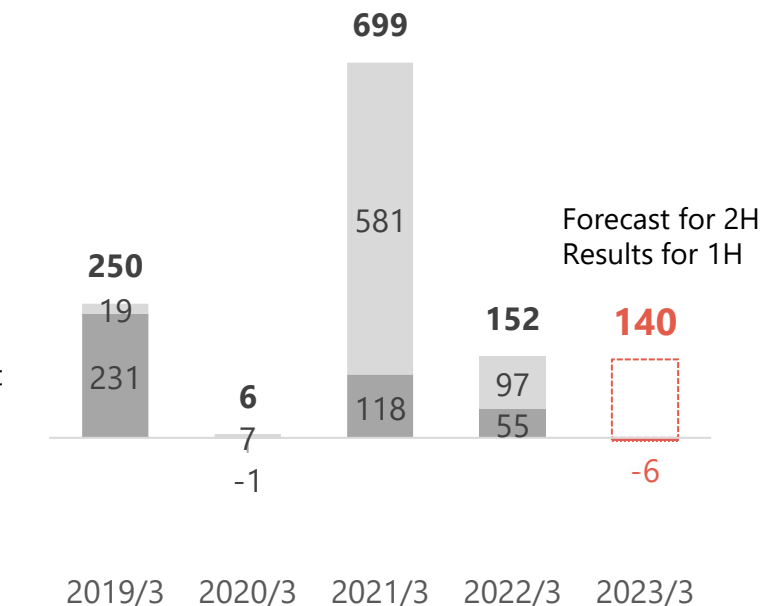
Net Sales



Gross Profit



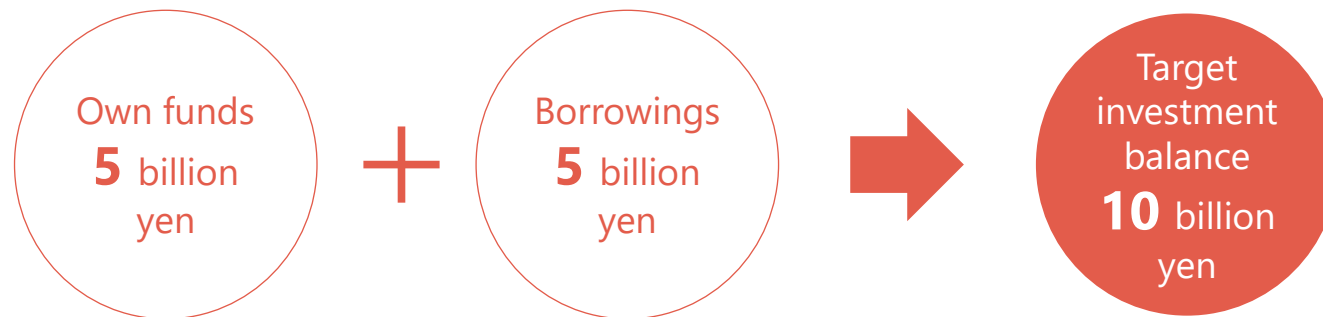
Operating Profit



Unit: Million yen

3. Investment Services: Entire Overview and Goals Going Forward

- Our investment business is mainly divided into two categories. The first one is investment in clients' equity, aiming for clients to do efficient and smooth business succession. The second one is investment in client's real estate, which the next generation of beneficiaries will likely not want to take over in a succession to the next generation.
- We aim to achieve an average investment balance of 10 billion yen and secure an annual gross profit of 1 billion yen, for the entire investment business.



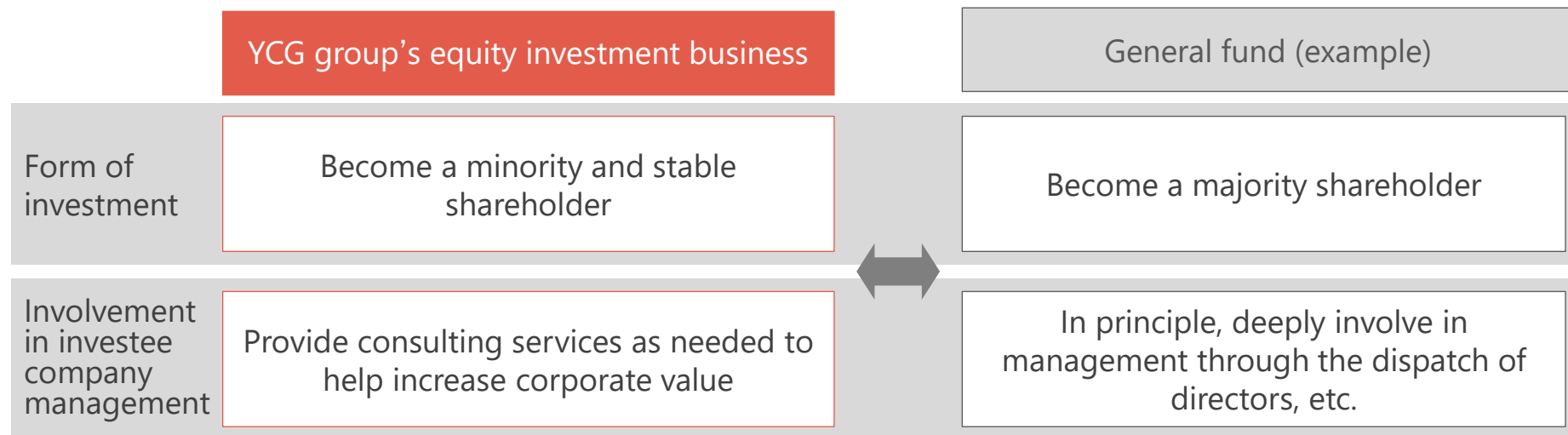
Challenges in business succession

Challenges in real estate succession



3. Investment Services: Overview and Achievements of Equity Investment [1]

- The need for business succession services is on the rise, as business owners are graying.
- When financial supports, including capital structure restructuring and equity monetization, are effective, we provide investment fund solutions to resolve capital policy issues and support the sustainable development of the company.

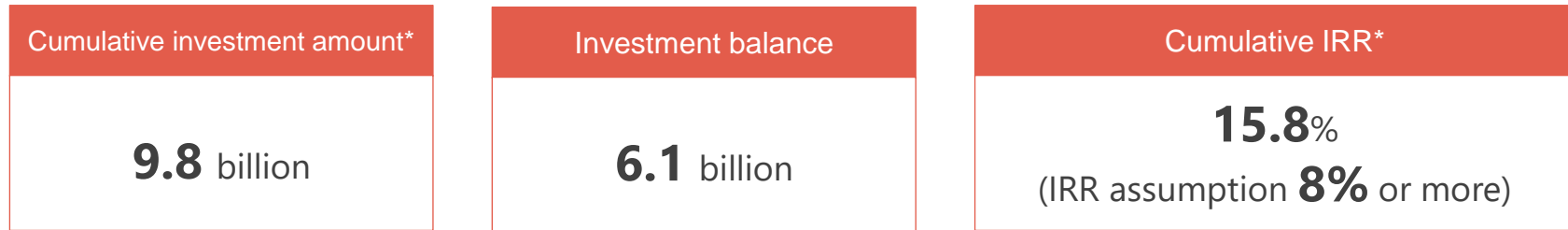


Advantages

Consultants who are specialized not only in tax, accounting, and legal matters, but also in expertise and skills in other fields, including management strategy, examine all aspects of business succession and **provide support clients with the optimal solution from a comprehensive perspective.**

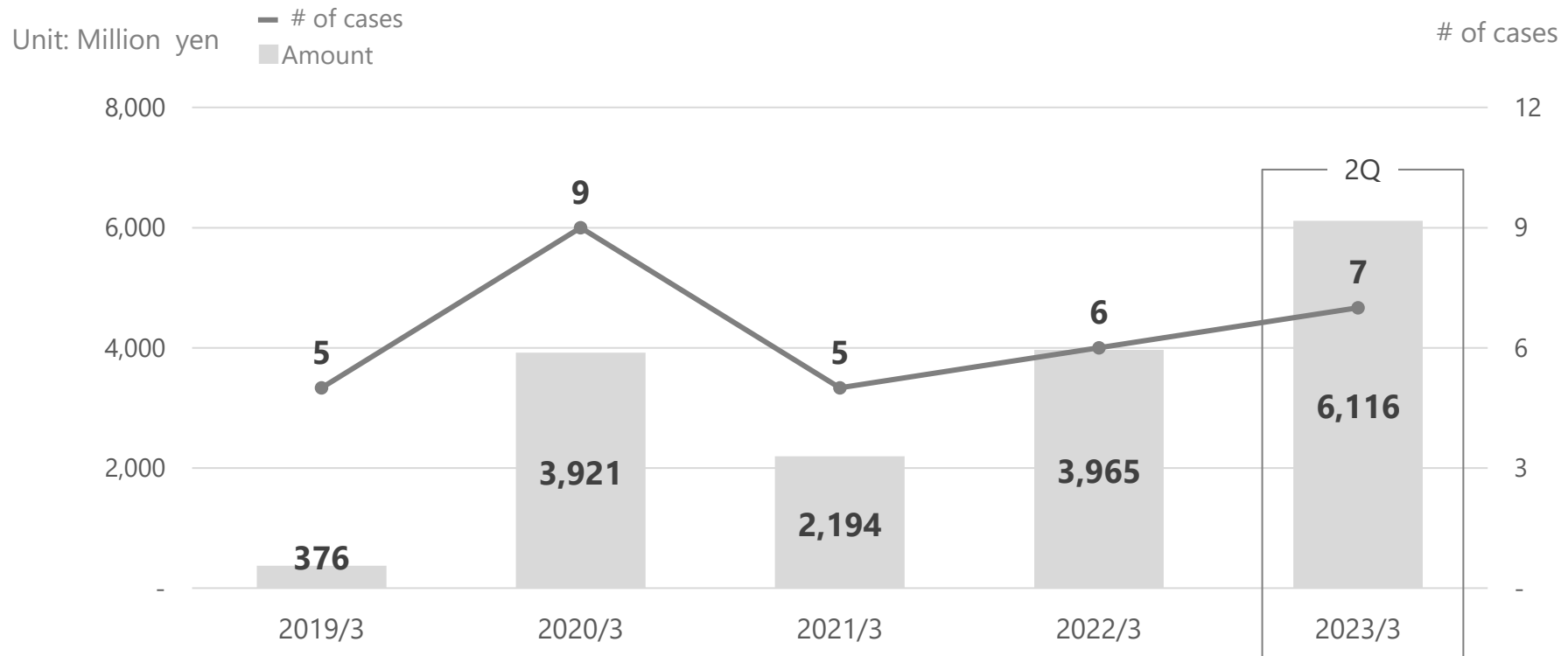
3. Investment Services: Overview and Achievements of Equity Investment [2]

Investment Achievements As of September 30, 2022



*: Cumulative number since the start of the investment business in 2011

Investment Balances in Value and Number of Cases



Note: The value and number of cases are as of the end of March for FY2021 (2022/3) and previous years, and as of at the end of September for FY2022 (2023/3).

3. Investment Services: Overview of Real Estate Investment

- We focus on and invest in real estate that is likely to be unwanted in a succession to the next generation. Such properties include a land leased with leasehold rights established and a jointly owned property.
- We intend investments beneficial for both a client and YCG by meeting the client's need to sell to a trustworthy company that can maintain a trust relationship between the client and the lessee.

Assumed clients



YCG's
clients



Clients of YCG's
partner
accounting
firms

Examples of properties and cases of possible investment targets

Real estate likely to be unwanted by the next-gen successor

Land leased with leasehold rights established, jointly owned property (in principle, income properties), aged apartments, aged houses, **which are likely unwanted in succession**

Real estate that is difficult to borrow money or pass a loan screening, for purchase

In the case that there is urgent need for funding*, e.g., a property needs to be sold during the business rehabilitation phase

In the case that a client wants to sell the asset, while requiring strict confidentiality in the sale

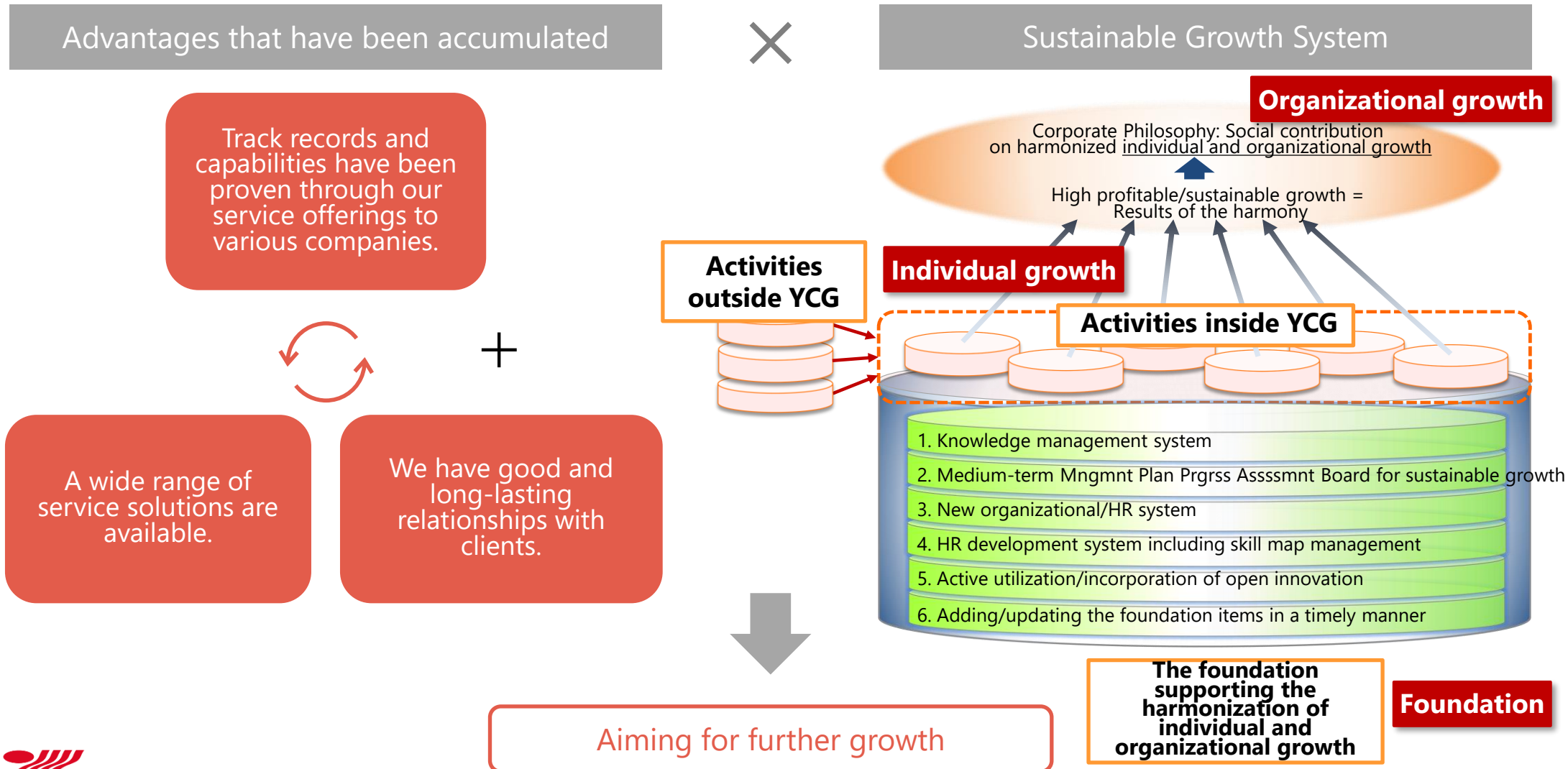
*: Possible measures to address the issues above include short-term settlement or liability for noncompliance with contract (defect liability).

Initiatives to Enhance Corporate Value



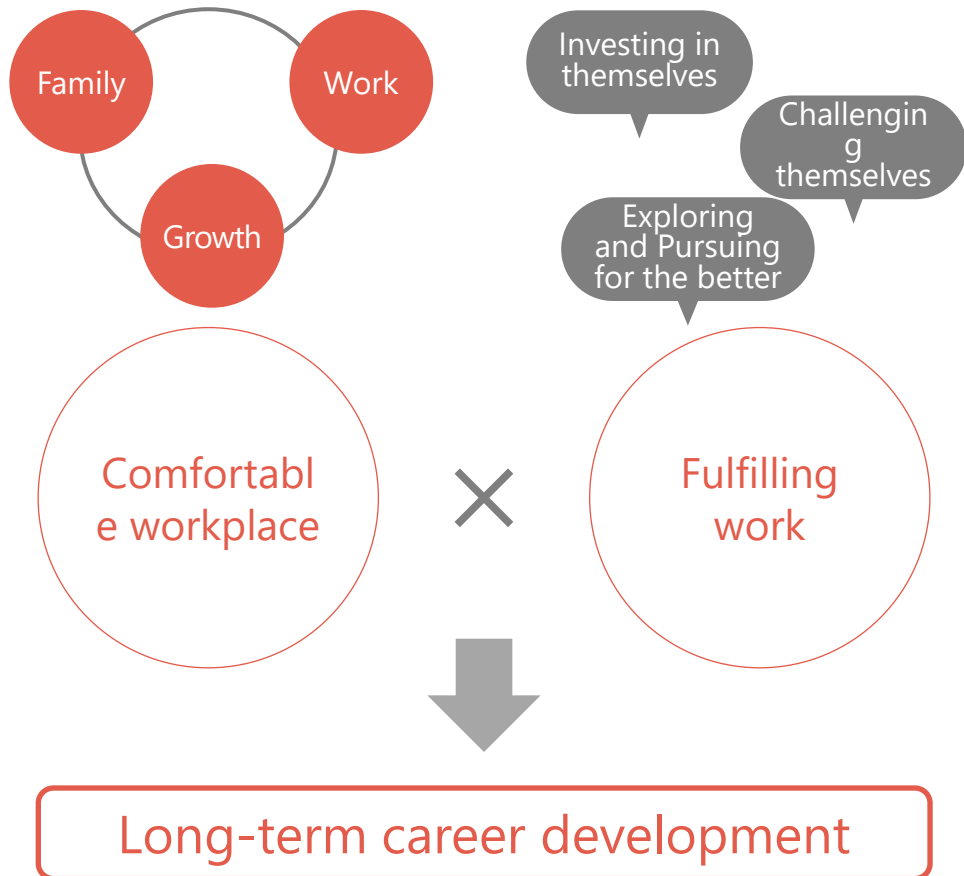
1. YCG's Advantages and Sustainable Growth System

- Our business model is built on the three advantages we have gained in the course of business.
- We seek further growth by enforcing our strengths with comprehensive knowledge management through the Sustainable Growth System.

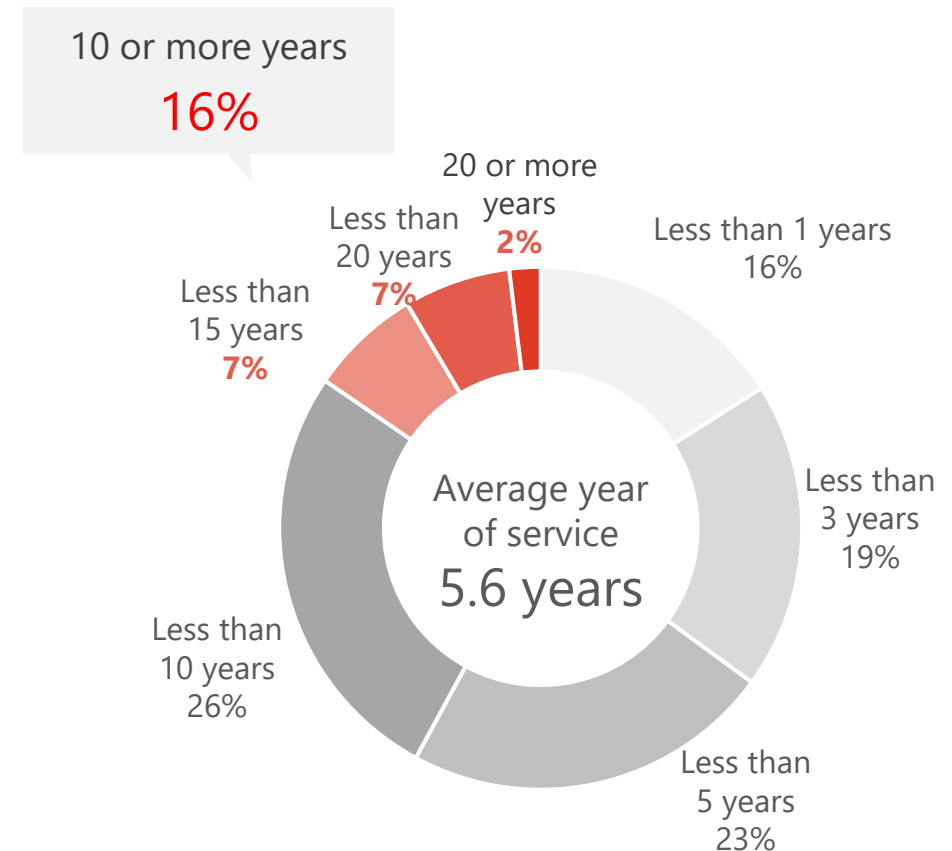


2. Human Resources Strategy Basic Policies: For Individual/Organizational Sustainable Growth

- We work together with our employees to persist with the reform process to create a work environment where people with diversified backgrounds can work in a sustainable manner.
- It has been 22 years since we made a full-scale entry into a consulting business in 2000. Compared to competitors in the industry, we have maintained a relatively higher retention rate of consultants. The average year of service of consultants at YCG is 5.6 years.

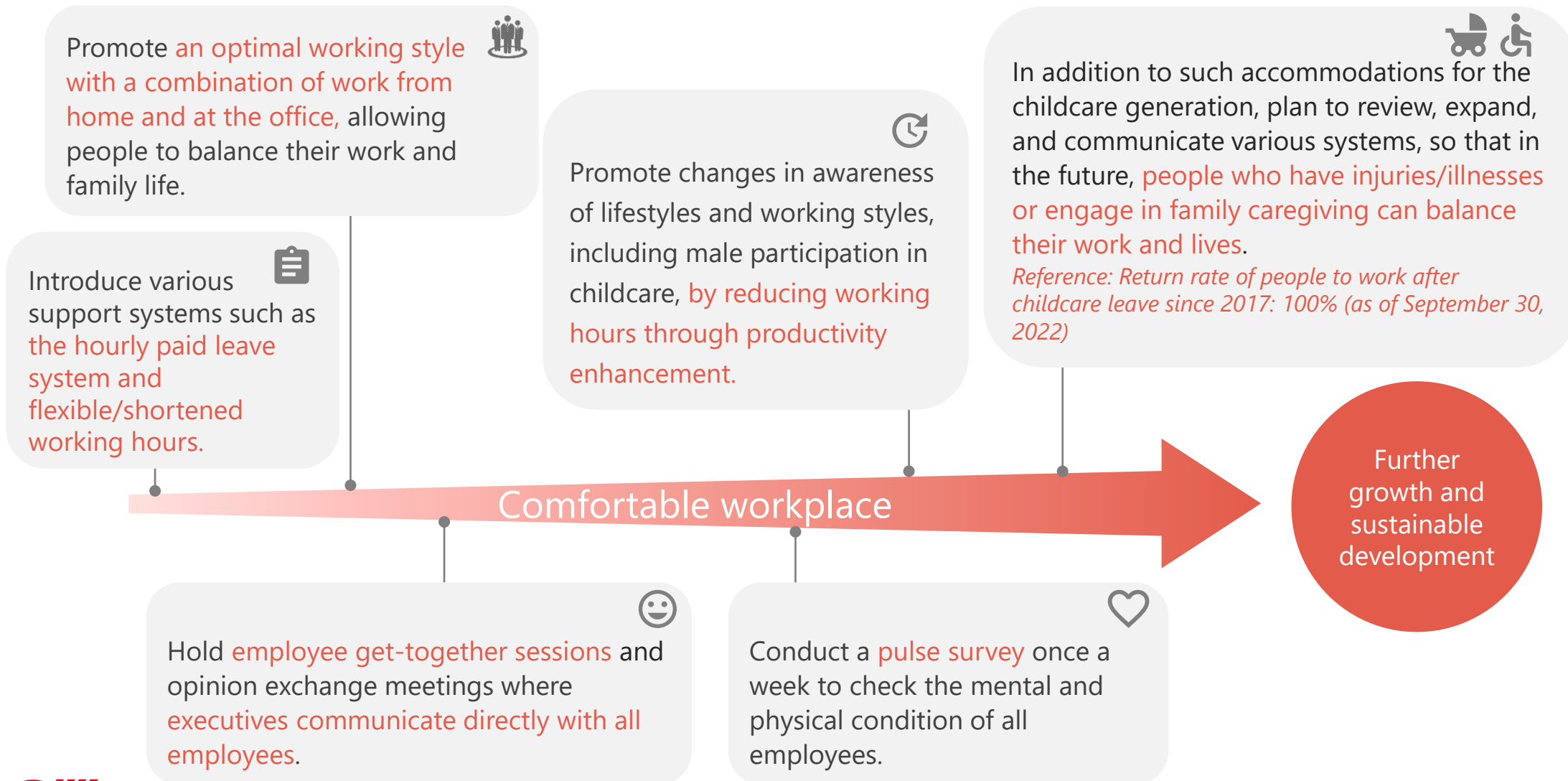


Average Year of Service



2. Human Resources Strategy Basic Policies: For Comfortable Work Environment

- In order to realize individual and organizational sustainable growth, we aim to create a work environment that meets the needs of people in different phases of life, so that they can keep balancing their family, work, and their own growth.



2. Human Resources Strategy Basic Policies: For Fulfilling Work

- We aim to create a work environment where people can explore and pursue their expertise in a long run by constantly aiming for higher levels and broadening their scope of work, while feeling sympathy and empathy for our corporate culture and values.

Enhancement of training programs and contents for basic skills

- Enhance post-employment support training programs, including bookkeeping training for new graduates and mid-career consultants.

Skills Upgrading Program for managers

- Promote managers to spend 100 hours of their annual working hours to upgrade their skills.
- They should improve their knowledge, skills, and personality, so that they can **continue to be active as a consultant through their entire work lifetime.**

Productivity enhancement and reduction in working hours

- Promote people's awareness and behavior to want to **work more efficiently and pursue better results in a limited time, take on new challenges, and do more fulfilling work.**
- A three-year improvement plan with participation of all employees is in place.

Fulfilling work

Role model of leader based on job type

- Define a new type of leadership for Senmon consultants*, the majority of whom are women.

Active contribution of personnel of diverse ages with diverse experiences

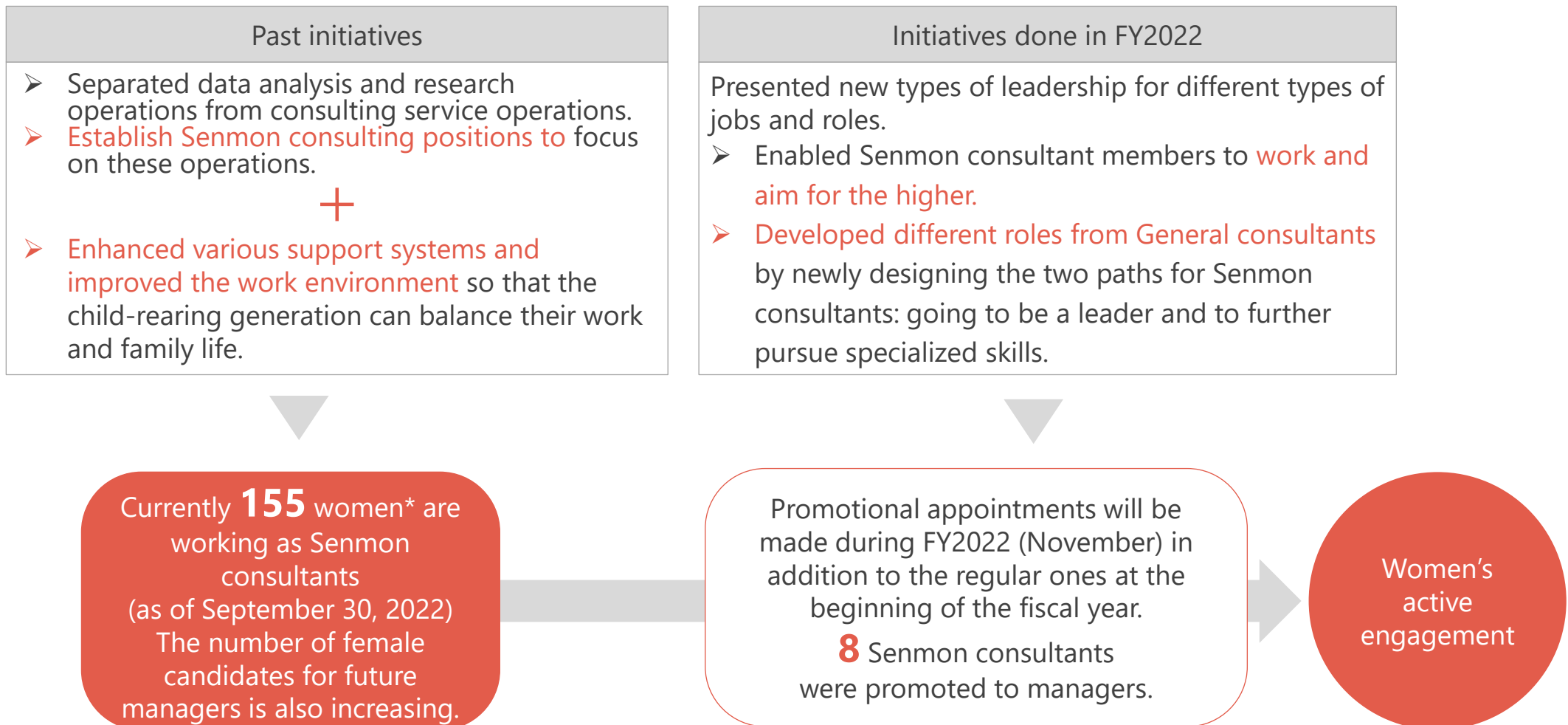
Senior consultants with corporate management experience at business companies should also engage in training younger consultants.

Further growth and sustainable development

*: Senmon consultants are specialized in data analysis, research work, and other related skills.

2. Human Resources Strategy Basic Policies: For Women's Active Engagement

- We have created a work environment where women can enjoy their lives in various phases while pursuing their careers.
- We encourage long-term career development/success by offering a comfortable workplace and fulfilling work.

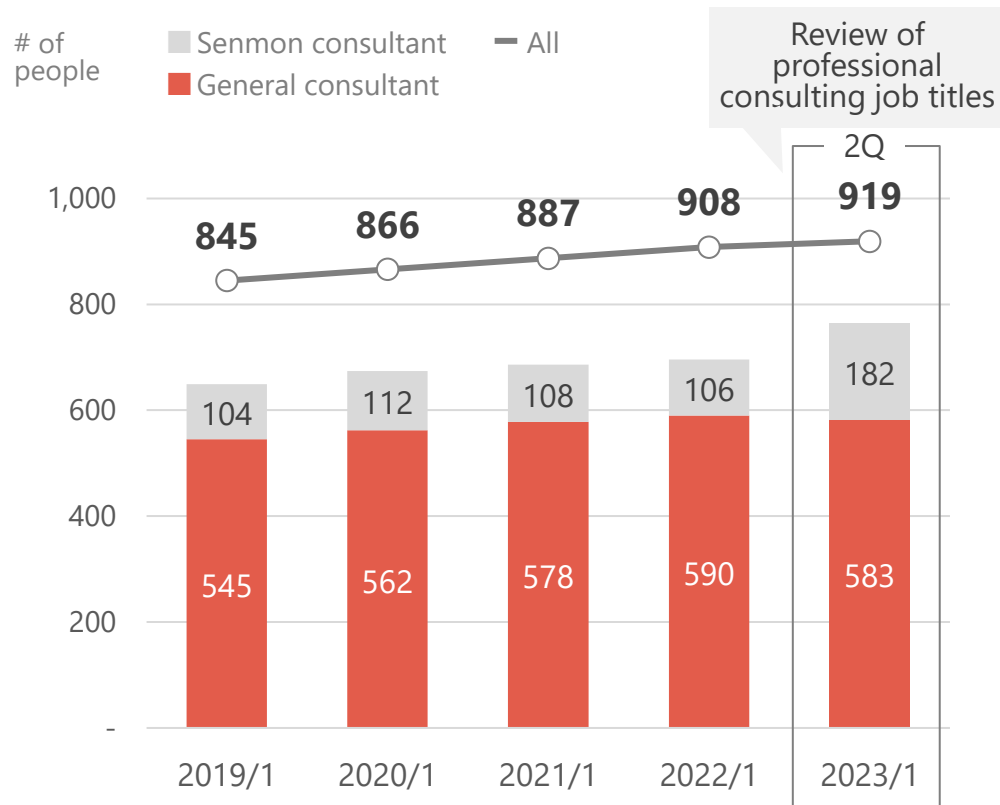


*: Excluding part-time and temporary workers

3. Securing and Developing Human Resources

- We now see personnel with diverse personalities and experiences, regardless of gender, nationality, or employment status, play a central role.
- We are active in recruiting new graduates to cultivate consultants with broad perspectives, while enhancing our in-house training programs to retain and develop human resources.

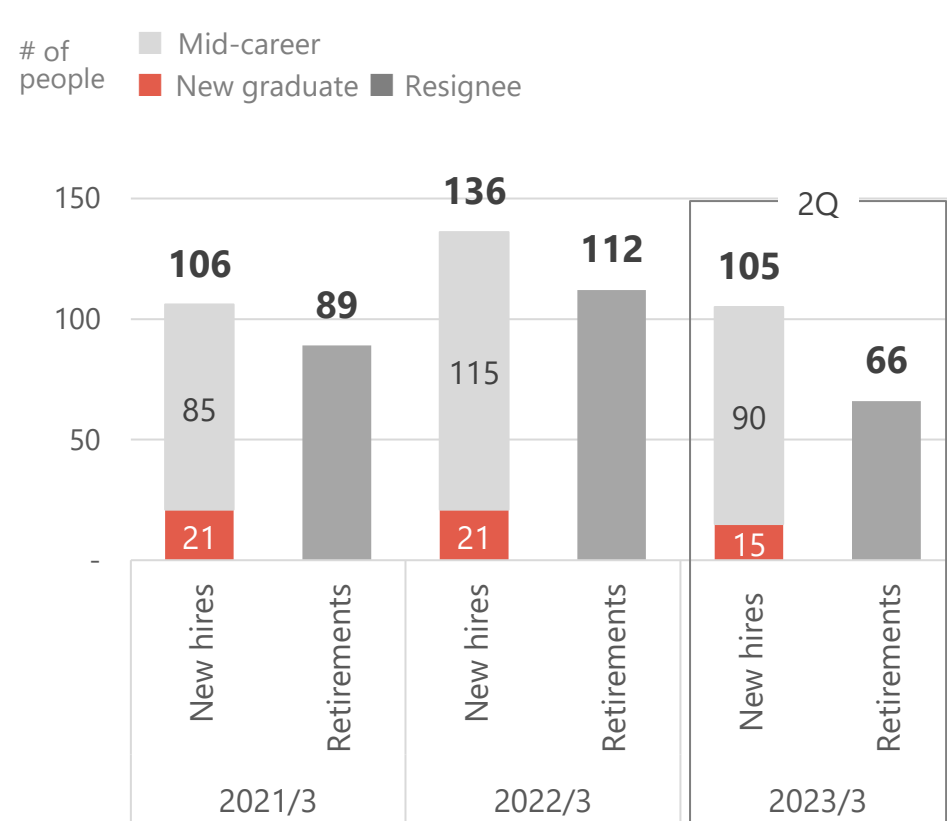
Personnel Composition (Consolidated Basis)



As of September 30 for FY2022 (2023/3) and as of March 31 for FY2021 (2022/3) and previous years (calculated by reclassifying to the new segments).

After a review of job categories in April 2022, 6 people were transferred from General consultant to Senmon consultant positions, while 48 were from Corporate staff to Senmon consultant positions.

Number of New Hires/Retirements (Consolidated Basis)



As of September 30 for FY2022 (2023/3) and as of March 31 for FY2021 (2022/3) and previous years.

Reference



1. Company Overview

As one of the largest independent consulting firms in Japan with over 700 consultants, we support clients with over 2,000 projects a year focusing on its core business, providing solutions to diverse management challenges.

Company Overview

Company Name	YAMADA Consulting Group Co., Ltd.	Capital	1,599.53 million yen
Date of Establishment	July 10, 1989	Stock Exchange	Tokyo Stock Exchange Prime Market
Representative	Keisaku Masuda, President	Securities Code	4792
Head Office	Marunouchi Trust Tower North, 1-8-1 Marunouchi, Chiyoda-ku, Tokyo, 100-0005	Fiscal Year-End	March, 31
URL	https://www.yamada-cg.co.jp/en/	Consolidated Businesses	Management Consulting Business Investment Business
		Number of Employees	953 (including temporary staff, As of Nov 1, 2022)

Advantages of Yamada Consulting Group



Complete Support Up To Execution

Offer complete support from making a proposal up to execution



Extensive Experiences

Capable of providing solutions based on extensive experience with over 2,000 projects a year



Listed on TSE Prime Market

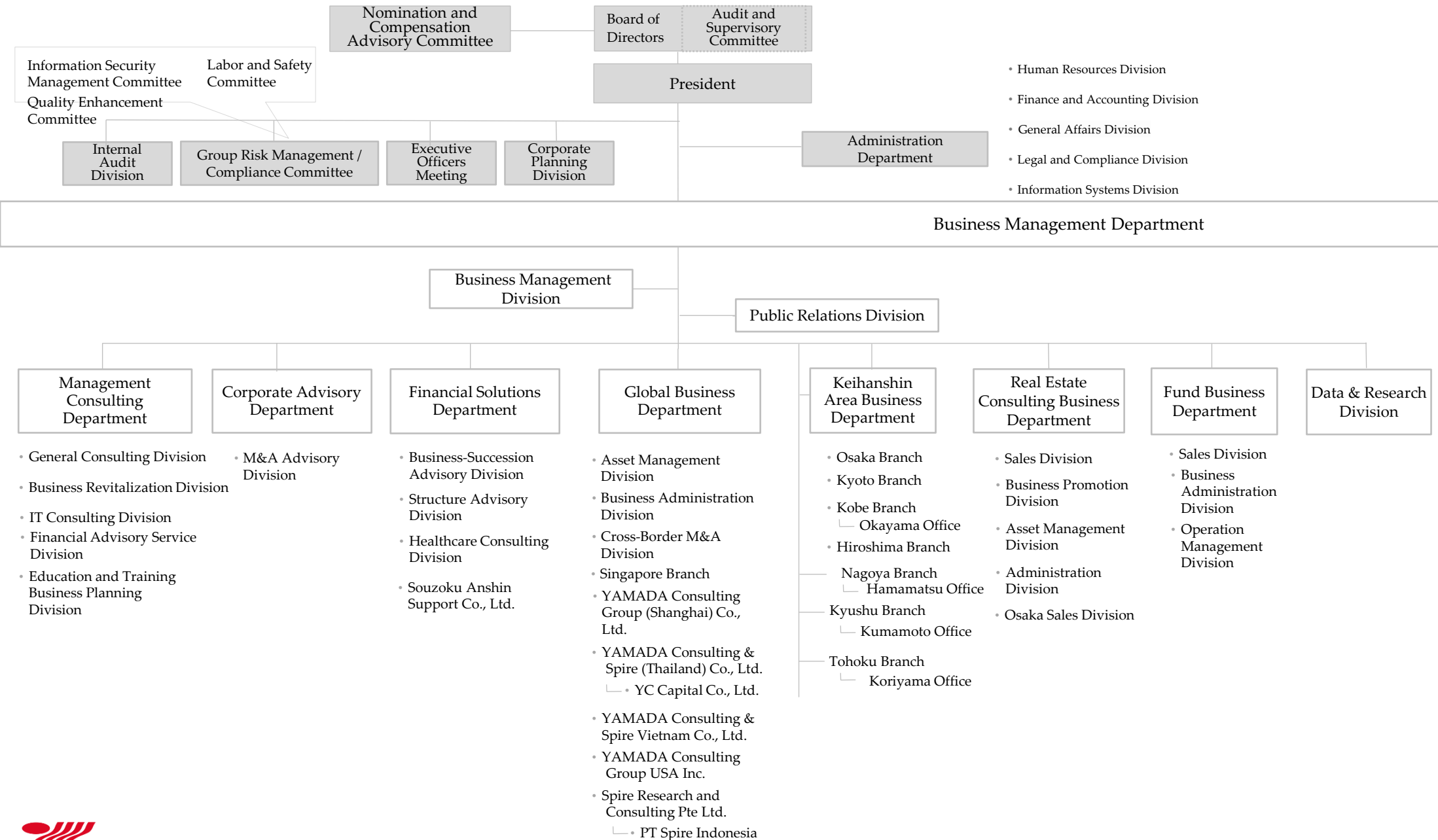
One of the largest independent consulting firms listed on the Prime Market



Comprehensive Capability

High level consulting services are available for the entire corporate management challenges

2. Organizational Structure

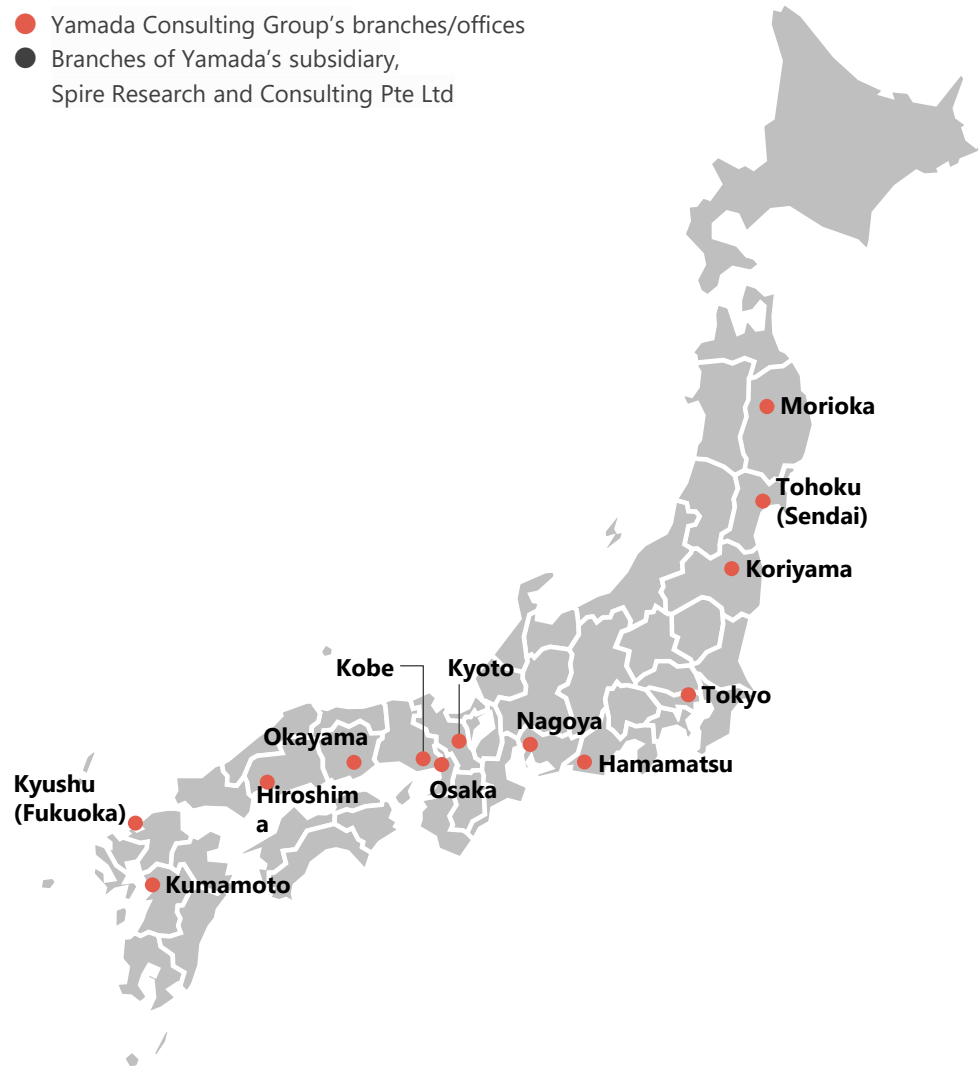


3. Domestic and Global Business Locations

Yamada Consulting Group has branches in major cities in Japan, while deploying business internationally focusing on Asia.

Japan

- Yamada Consulting Group's branches/offices
- Branches of Yamada's subsidiary, Spire Research and Consulting Pte Ltd

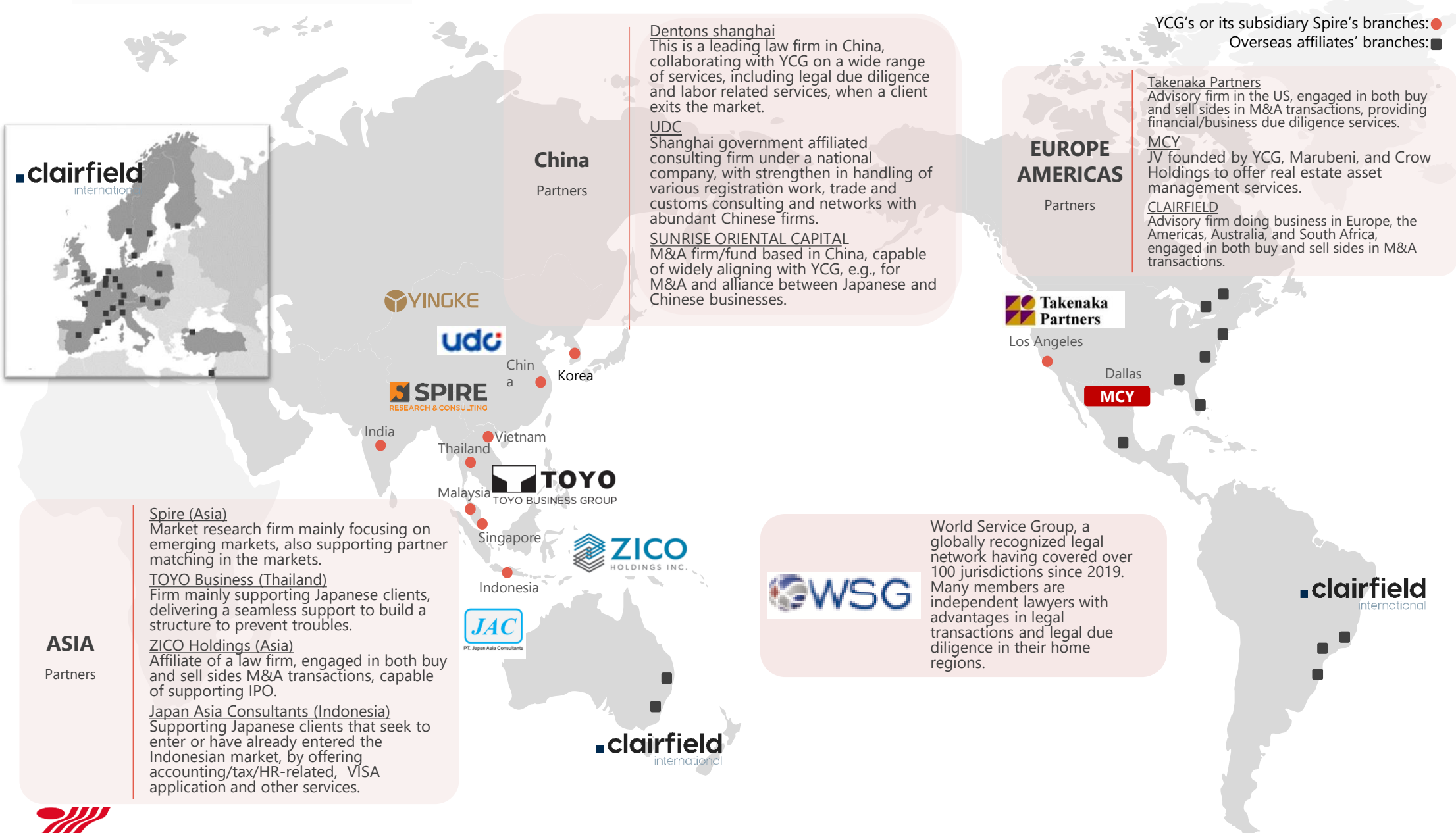


Global



4. Global Network: Positioning and Features of International Affiliates

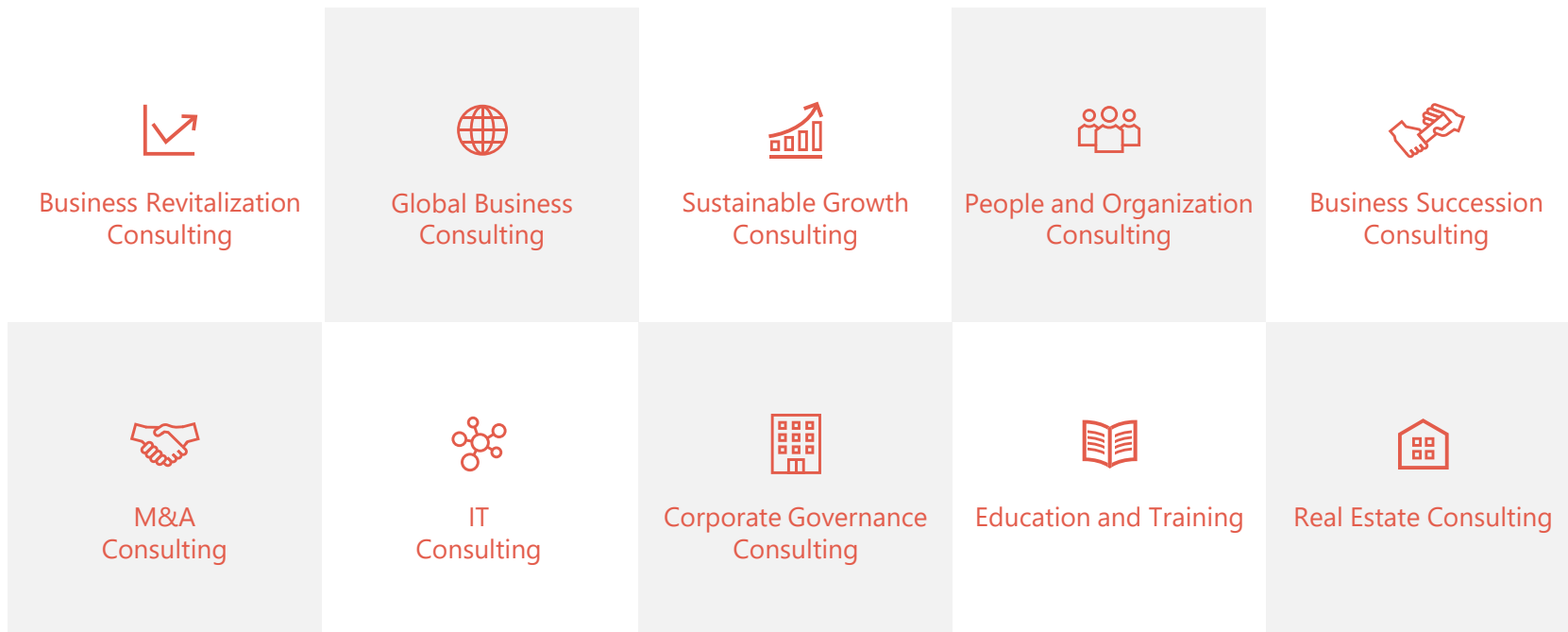
By utilizing its established global network, Yamada Consulting Group offers seamless support for Japanese businesses that have entered overseas markets.



5. Line of Business

Yamada Consulting Group takes advantages of its professionals in various business arenas shown below to deliver the optimal solution.

Clients can rely on a single resource support backed by widespread viewpoints with our expertise and hands-on approach.



6. Public Relations Activities

目的

- 金融機関に、当社の業務範囲の広さを知ってもらうこと
- 一般顧客から、当社の認知及び信頼を獲得すること

Note: The section of Public Relations Activities is not translated into English and is available only in Japanese.

金融機関向けの広報活動

- 行員・社員向けの研修コンテンツとして “WEBチャンネル” を開設し、定期的にアップデート
「中国のシルバー業界動向及びビジネスチャンス」「パチンコホール業界動向」等々のレジюме・動画を提供

一般顧客向けの広報活動

- 動画：ダイヤモンドオンライン『学びの動画』掲載
「事業承継の新常識！後悔しないための完全マニュアル」（全6回）2022年5月2日より公開
- ビジネス誌・業界専門誌への寄稿
月刊金融ジャーナル 2022年5月号：「主要19業種分析 目利きのポイント」（6業種7ページ）
（鉄鋼・非鉄金属、宿泊、外食・飲食サービス、農業、パチンコ・娯楽、学習支援・塾）
病院羅針盤 2022年8月1日・15日合併号
特集：「病院におけるマネジメント・システムの浸透」（5ページ）

- 広告出稿
日経新聞 海外セミナー告知掲載 9月13日、15日発行全国版朝刊
日経MOOK事業再生 表3広告 9月発行



6. Public Relations Activities [1] Seminars

海外・不動産をテーマにしたWEBセミナーを中心に、毎月定期的開催
申込者数・参加者数過去最多、問い合わせや案件成約につながっている

Note: The section of Public Relations Activities is not translated into English and is available only in Japanese.

2023年3月期 上期のセミナー開催状況

計10回開催

	セミナー内容	開催地
5月	その不動産有効活用は大丈夫？知っておきたい成功ポイント	オンライン
5月	中国でのM&A「売却」成功のポイント	オンライン
5月	ベトナムの「流通」と「物流」の現状と市場参入のポイント	オンライン
5月	【緊急企画】製造拠点として注目されるベトナム最新情報	オンライン
7月	コロナ禍における中国の産業動向とM&A	オンライン
7月	DXの失敗しない進め方 仕事のデジタル化とデータ活用	オンライン
7月	ウィズコロナ時代に急成長するベトナムのヘルスケア市場	オンライン
9月	不動産の有効活用を成功に導く！賃貸用建物の建築時におけるハウスメーカー選び10か条	オンライン
9月	日本企業とタイ企業 その関係の新たな局面	オンライン
9月	経済成長を続けるベトナムで今、注目の産業とM&A	オンライン

2023年3月期 下期の開催・開催予定セミナー

	セミナー内容	開催地
10月	成功事例から学ぶ米国におけるM&A	オンライン
10月	M&Aを活用した 中国への進出・事業拡大の要点	オンライン
11月	～大切な資産を守り抜くために～次世代のためにどう遺す？今すべき不動産有効活用とは	オンライン
11月	BtoCビジネスを成功に導く 今こそ知りたい中国市場攻略法	オンライン

■ 🏠 不動産

【2022年5月開催】Webセミナー
その不動産有効活用は大丈夫？知
っておきたい成功ポイント
間違った有効活用では資産価値を失うこと
も？！押さえておきたい留意

対象 不動産オーナー様・企業経営者様・不動産才
開催期間 2022年5月11日（水）
会場 オンライン開催



■ 🏠 M&A 🌐 海外

【2022年9月開催】Webセミナー
経済成長を続けるベトナムで今、
注目の産業とM&A
建設・流通・IT業界を中心に、最新情報を
徹底解説

対象 ベトナム進出検討中・進出済の日系企業様向
開催期間 2022年9月27日(火) 16:00
会場 オンライン開催



その他今後のセミナー情報は当社公式HPよりご確認ください

6. Public Relations Activities [2] Reports on Global Business Issues

海外レポートを月に2~3本定期的に発信
海外駐在員が現地最新情報・調査結果等、ビジネスのヒントをお届け

Note: The section of Public Relations Activities is not translated into English and is available only in Japanese.

2023年3月期上期に掲載したレポート

計10件掲載

5月	経済成長を続けるベトナム。日系企業進出のヒントを紹介
5月	インドネシアの新首都移転について
6月	海外市場調査。失敗しない海外進出のイロハ
6月	どこが変わる？日本企業のハラル認証申請
6月	タイの食肉加工品市場の概要、コロナによる影響と今後の動向まで
6月	中国のZ世代を中心に拡大する男性用化粧品市場の動向と主要ブランド
7月	上海ロックダウンが消費者行動に与える影響
8月	タイの廃棄物管理、再利用率向上の背景と今後の動向
8月	タイで急成長するインターネット動画配信サービス
9月	東南アジアで薄まる日本企業の存在感



その他海外レポートは当社公式HPよりご確認ください

Disclaimer

The performance forecasts and future outlooks described in these materials are forecasts that the Company has determined based on currently available information, and include potential risks and uncertainties.

Therefore, please be aware that actual performance may differ significantly from the forecasts described due to changes in various factors.

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