

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 7, 2023

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: February 13, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	12,284	27.9	2,316	75.2	2,366	77.0	1,635	81.9
Nine months ended December 31, 2021	9,597	10.2	1,321	105.9	1,336	123.9	899	425.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	85.95		–	
Nine months ended December 31, 2021	47.29		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	19,080	14,541	75.3
As of March 31, 2022	18,419	13,834	74.0

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, 2022	–	18.00	–	28.00	46.00
Year ending March 31, 2023	–	23.00	–		
Year ending March 31, 2023 (Forecast)				24.00	47.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	16,680	13.8	2,700	7.9	2,660	3.4	1,770	3.1	93.00

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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, 2022	19,896,000 shares	As of March 31, 2022	19,896,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	861,451 shares	As of March 31, 2022	872,989 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, 2022	19,029,687 shares	Nine months ended December 31, 2021	19,008,323 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	9,864,630	8,748,140
Accounts receivable - trade	1,325,334	954,849
Securities	626,504	674,956
Operational investment securities	3,965,168	6,116,471
Merchandise and finished goods	99,060	102,305
Raw materials and supplies	116	–
Other	489,178	515,450
Allowance for doubtful accounts	(49,559)	(53,085)
Total current assets	16,320,434	17,059,088
Non-current assets		
Property, plant and equipment	472,275	497,337
Intangible assets		
Goodwill	399	314
Other	118,062	95,764
Total intangible assets	118,462	96,079
Investments and other assets		
Investment securities	109,517	122,830
Leasehold and guarantee deposits	610,168	600,676
Deferred tax assets	220,487	88,802
Other	568,019	616,155
Total investments and other assets	1,508,192	1,428,464
Total non-current assets	2,098,930	2,021,881
Total assets	18,419,364	19,080,969
Liabilities		
Current liabilities		
Notes and accounts payable - trade	271,670	254,576
Short-term borrowings	2,000,000	2,501,000
Income taxes payable	834,331	301,260
Provision for bonuses	133,188	236,054
Other	1,261,169	1,149,459
Total current liabilities	4,500,360	4,442,350
Non-current liabilities		
Deferred tax liabilities	19,777	21,817
Other	64,803	75,155
Total non-current liabilities	84,580	96,972
Total liabilities	4,584,941	4,539,322

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,542,322	1,514,964
Retained earnings	10,900,246	11,567,253
Treasury shares	(510,839)	(504,117)
Total shareholders' equity	13,531,266	14,177,638
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,106)	3,709
Foreign currency translation adjustment	102,142	189,855
Total accumulated other comprehensive income	100,035	193,564
Share acquisition rights	34,447	23,745
Non-controlling interests	168,672	146,697
Total net assets	13,834,422	14,541,646
Total liabilities and net assets	18,419,364	19,080,969

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, 2021	Nine months ended December 31, 2022
Net sales	9,597,137	12,284,199
Cost of sales	1,168,511	1,823,824
Gross profit	8,428,626	10,460,374
Selling, general and administrative expenses	7,106,944	8,143,705
Operating profit	1,321,682	2,316,668
Non-operating income		
Interest income	12,948	11,906
Foreign exchange gains	27,034	76,619
Subsidy income	2,361	–
Other	5,971	22,098
Total non-operating income	48,316	110,624
Non-operating expenses		
Interest expenses	4,961	5,734
Loss on investments in investment partnerships	2,191	5,464
Commission expenses	17,749	34,084
Other	8,182	15,244
Total non-operating expenses	33,085	60,529
Ordinary profit	1,336,912	2,366,763
Profit before income taxes	1,336,912	2,366,763
Income taxes - current	214,795	592,277
Income taxes - deferred	203,026	137,689
Total income taxes	417,822	729,966
Profit	919,090	1,636,796
Profit attributable to non-controlling interests	20,027	1,053
Profit attributable to owners of parent	899,062	1,635,742

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	919,090	1,636,796
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,149)	5,861
Foreign currency translation adjustment	25,051	89,099
Total other comprehensive income	14,901	94,961
Comprehensive income	933,991	1,731,757
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	916,307	1,729,271
Comprehensive income attributable to non-controlling interests	17,684	2,486

Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,336,912	2,366,763
Depreciation	105,348	119,167
Amortization of goodwill	85	85
Increase (decrease) in provision for bonuses	(130,540)	102,865
Interest and dividend income	(12,948)	(11,906)
Interest expenses	4,961	5,734
Foreign exchange losses (gains)	(27,034)	(76,619)
Loss (gain) on investments in investment partnerships	2,191	5,464
Decrease (increase) in investment securities for sale	(2,220,926)	(2,151,302)
Decrease (increase) in trade receivables	181,460	370,485
Increase (decrease) in allowance for doubtful accounts	–	3,525
Decrease (increase) in inventories	(2,296)	(3,128)
Increase (decrease) in trade payables	(32,166)	(17,094)
Decrease (increase) in other assets	68,702	22,867
Increase (decrease) in other liabilities	(297,069)	(200,250)
Subtotal	(1,023,319)	536,659
Interest and dividends received	9,961	8,189
Interest paid	(5,779)	(7,442)
Income taxes paid	(386,158)	(1,024,521)
Net cash provided by (used in) operating activities	(1,405,295)	(487,114)
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,568)	(143,369)
Purchase of intangible assets	(92)	(6,615)
Purchase of investment securities	(22,977)	(9,174)
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Long-term loan advances	–	(50,426)
Payments of leasehold and guarantee deposits	(6,322)	(1,909)
Proceeds from refund of leasehold and guarantee deposits	51,365	3,721
Other, net	–	310
Net cash provided by (used in) investing activities	(22,320)	(207,379)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	501,000
Proceeds from received an investment to non-controlling shareholders	22,791	22,369
the amount of payment of the dividend to non-controlling shareholders	(23,881)	(4,047)
Dividends paid	(760,268)	(970,438)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(59,138)
Other, net	(12,571)	(12,623)
Net cash provided by (used in) financing activities	(773,930)	(522,879)
Effect of exchange rate change on cash and cash equivalents	26,654	96,538
Net increase (decrease) in cash and cash equivalents	(2,174,891)	(1,120,835)
Cash and cash equivalents at beginning of period	10,195,034	9,662,826
Cash and cash equivalents at end of period	8,020,142	8,541,990