

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 9, 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
 Inquiries: Hideji Shuto TEL 03-6212-2500
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023
 Scheduled date to file Securities Report: June 29, 2023
 Scheduled date to commence dividend payments: June 12, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	16,450	12.3	2,871	14.7	2,920	13.5	2,114	23.2
Year ended March 31, 2022	14,645	(4.3)	2,501	11.0	2,570	10.7	1,716	23.0

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	111.08	–	14.8	15.1	17.4
Year ended March 31, 2022	90.27	–	13.0	14.5	17.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	20,200	15,012	73.4	779.05
As of March 31, 2022	18,419	13,834	74.0	716.56

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	199	(265)	(523)	9,151
Year ended March 31, 2022	217	(86)	(765)	9,662

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	18.00	–	28.00	46.00	874	50.9	6.6
Year ended March 31, 2023	–	23.00	–	33.00	56.00	1,066	50.4	7.4
Year ending March 31, 2024 (Forecast)	–	33.00	–	34.00	67.00		50.0	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	21,800	32.5	3,500	21.8	3,500	19.8	2,550	20.6	133.94

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	19,896,000 shares	As of March 31, 2022	19,896,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	858,651 shares	As of March 31, 2022	872,989 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2023	19,033,456 shares	Year ended March 31, 2022	19,009,878 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	9,864,630	9,352,928
Accounts receivable - trade	1,325,334	1,189,615
Securities	626,504	4,767
Operational investment securities	3,965,168	6,167,471
Merchandise and finished goods	99,060	97,976
Raw materials and supplies	116	–
Other	489,178	532,233
Allowance for doubtful accounts	(49,559)	(53,929)
Total current assets	16,320,434	17,291,064
Non-current assets		
Property, plant and equipment		
Buildings and structures	428,802	475,421
Accumulated depreciation	(166,437)	(186,930)
Buildings and structures, net	262,365	288,491
Land	57,774	57,774
Other	568,985	529,083
Accumulated depreciation	(416,849)	(388,625)
Other, net	152,135	140,458
Total property, plant and equipment	472,275	486,724
Intangible assets		
Goodwill	399	285
Other	118,062	86,220
Total intangible assets	118,462	86,506
Investments and other assets		
Investment securities	109,517	812,706
Leasehold and guarantee deposits	610,168	599,062
Deferred tax assets	220,487	297,446
Other	568,019	627,133
Total investments and other assets	1,508,192	2,336,349
Total non-current assets	2,098,930	2,909,579
Total assets	18,419,364	20,200,643

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	271,670	275,036
Short-term borrowings	2,000,000	2,501,000
Income taxes payable	834,331	604,324
Contract liabilities	88,840	78,231
Provision for bonuses	133,188	134,872
Other	1,172,329	1,492,310
Total current liabilities	4,500,360	5,085,775
Non-current liabilities		
Deferred tax liabilities	19,777	23,757
Other	64,803	78,484
Total non-current liabilities	84,580	102,242
Total liabilities	4,584,941	5,188,018
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,542,322	1,517,823
Retained earnings	10,900,246	12,045,870
Treasury shares	(510,839)	(502,479)
Total shareholders' equity	13,531,266	14,660,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,106)	5,925
Foreign currency translation adjustment	102,142	164,379
Total accumulated other comprehensive income	100,035	170,305
Share acquisition rights	34,447	23,745
Non-controlling interests	168,672	157,822
Total net assets	13,834,422	15,012,625
Total liabilities and net assets	18,419,364	20,200,643

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	14,645,401	16,450,685
Cost of sales	2,201,251	2,304,392
Gross profit	12,444,149	14,146,293
Selling, general and administrative expenses	9,942,545	11,274,738
Operating profit	2,501,604	2,871,555
Non-operating income		
Interest income	19,691	22,644
Gain on redemption of securities	–	43,044
Foreign exchange gains	82,064	21,406
Subsidy income	4,173	–
Gain on reversal of share acquisition rights	–	13,801
Other	7,347	21,795
Total non-operating income	113,277	122,692
Non-operating expenses		
Interest expenses	6,557	7,608
Loss on investments in investment partnerships	3,515	6,498
Commission expenses	25,481	43,474
Other	8,462	16,332
Total non-operating expenses	44,017	73,914
Ordinary profit	2,570,864	2,920,333
Profit before income taxes	2,570,864	2,920,333
Income taxes - current	789,960	868,181
Income taxes - deferred	25,005	(70,915)
Total income taxes	814,965	797,266
Profit	1,755,898	2,123,066
Profit attributable to non-controlling interests	39,835	8,707
Profit attributable to owners of parent	1,716,063	2,114,359

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,755,898	2,123,066
Other comprehensive income		
Valuation difference on available-for-sale securities	(21,364)	8,078
Foreign currency translation adjustment	94,914	66,680
Total other comprehensive income	73,549	74,759
Comprehensive income	1,829,448	2,197,825
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,784,556	2,184,628
Comprehensive income attributable to non-controlling interests	44,891	13,197

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,599,538	1,526,001	9,944,451	(523,772)	12,546,218
Changes during period					
Dividends of surplus			(760,268)		(760,268)
Profit attributable to owners of parent			1,716,063		1,716,063
Disposal of treasury shares		16,320		12,932	29,253
Net changes in items other than shareholders' equity					
Total changes during period	–	16,320	955,794	12,932	985,047
Balance at end of period	1,599,538	1,542,322	10,900,246	(510,839)	13,531,266

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	19,211	12,330	31,542	30,919	124,372	12,733,052
Changes during period						
Dividends of surplus						(760,268)
Profit attributable to owners of parent						1,716,063
Disposal of treasury shares						29,253
Net changes in items other than shareholders' equity	(21,318)	89,812	68,493	3,528	44,300	116,322
Total changes during period	(21,318)	89,812	68,493	3,528	44,300	1,101,370
Balance at end of period	(2,106)	102,142	100,035	34,447	168,672	13,834,422

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,599,538	1,542,322	10,900,246	(510,839)	13,531,266
Changes during period					
Dividends of surplus			(970,438)		(970,438)
Profit attributable to owners of parent			2,114,359		2,114,359
Purchase of treasury shares				(52)	(52)
Disposal of treasury shares		9,270		8,413	17,684
Purchase of shares of consolidated subsidiaries		(33,769)			(33,769)
Increase in retained earnings due to exclusion of subsidiaries from consolidation			1,703		1,703
Net changes in items other than shareholders' equity					
Total changes during period	–	(24,499)	1,145,624	8,360	1,129,485
Balance at end of period	1,599,538	1,517,823	12,045,870	(502,479)	14,660,751

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(2,106)	102,142	100,035	34,447	168,672	13,834,422
Changes during period						
Dividends of surplus						(970,438)
Profit attributable to owners of parent						2,114,359
Purchase of treasury shares						(52)
Disposal of treasury shares						17,684
Purchase of shares of consolidated subsidiaries						(33,769)
Increase in retained earnings due to exclusion of subsidiaries from consolidation						1,703
Net changes in items other than shareholders' equity	8,032	62,236	70,269	(10,702)	(10,850)	48,716
Total changes during period	8,032	62,236	70,269	(10,702)	(10,850)	1,178,202
Balance at end of period	5,925	164,379	170,305	23,745	157,822	15,012,625

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,570,864	2,920,333
Depreciation	155,133	161,600
Amortization of goodwill	114	114
Increase (decrease) in provision for bonuses	2,648	1,683
Interest and dividend income	(19,691)	(22,644)
Subsidy income	(4,173)	–
Interest expenses	6,557	7,608
Foreign exchange losses (gains)	(82,064)	(21,406)
Loss (gain) on investments in investment partnerships	3,515	6,498
Loss (gain) on redemption of securities	–	(43,044)
Decrease (increase) in operational investment securities	(1,770,279)	(2,202,302)
Decrease (increase) in trade receivables	(160,479)	135,719
Increase (decrease) in allowance for doubtful accounts	4,636	4,369
Decrease (increase) in inventories	1,875	1,200
Increase (decrease) in trade payables	1,944	3,366
Decrease (increase) in other assets	(145,083)	24,921
Increase (decrease) in other liabilities	15,983	344,589
Subtotal	581,500	1,322,607
Interest and dividends received	19,603	12,284
Subsidies received	4,173	–
Interest paid	(6,555)	(7,429)
Income taxes paid	(381,618)	(1,127,538)
Net cash provided by (used in) operating activities	217,104	199,923
Cash flows from investing activities		
Purchase of property, plant and equipment	(110,786)	(169,154)
Purchase of intangible assets	(413)	(6,615)
Proceeds from redemption of securities	–	674,315
Purchase of investment securities	(28,327)	(700,027)
Cash dividends income to Investment securities	2,092	233
Long-term loan advances	–	(66,765)
Payments of leasehold and guarantee deposits	(9,953)	(1,909)
Proceeds from refund of leasehold and guarantee deposits	52,365	4,102
Other, net	8,723	310
Net cash provided by (used in) investing activities	(86,299)	(265,508)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	501,000
Proceeds from received an investment to non-controlling shareholders	24,477	22,904
Proceeds from disposal of treasury shares	11,638	3,645
Dividends paid	(760,268)	(970,438)
the amount of payment of the dividend to non-controlling shareholders	(24,297)	(4,168)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(59,182)
Other, net	(16,761)	(16,814)
Net cash provided by (used in) financing activities	(765,212)	(523,055)
Effect of exchange rate change on cash and cash equivalents	102,199	77,010
Net increase (decrease) in cash and cash equivalents	(532,208)	(511,629)
Cash and cash equivalents at beginning of period	10,195,034	9,662,826
Cash and cash equivalents at end of period	9,662,826	9,151,196