

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 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
 Inquiries: Director and General Manager of Administration Department Hideji Shuto TEL 03-6212-2500
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	11,463	69.2	1,580	109.5	1,621	78.3	1,275	104.6
Six months ended September 30, 2022	6,773	15.6	754	42.7	909	70.5	623	86.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	66.98		66.96	
Six months ended September 30, 2022	32.76		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	17,856	15,804	87.6
As of March 31, 2023	20,200	15,012	73.4

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, 2023	-	23.00	-	33.00	56.00
Year ending March 31, 2024	-	33.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	34.00	67.00

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	133.83

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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, 2023	19,896,000 shares	As of March 31, 2023	19,896,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	837,701 shares	As of March 31, 2023	858,651 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, 2023	19,047,211 shares	Six months ended September 30, 2022	19,027,241 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	9,352,928	8,223,885
Accounts receivable - trade	1,189,615	1,108,881
Securities	4,767	18,434
Operational investment securities	6,167,471	2,950,646
Merchandise and finished goods	97,976	376,624
Other	532,233	2,529,688
Allowance for doubtful accounts	(53,929)	(58,705)
Total current assets	17,291,064	15,149,456
Non-current assets		
Property, plant and equipment	486,724	554,639
Intangible assets		
Goodwill	285	228
Other	86,220	79,761
Total intangible assets	86,506	79,990
Investments and other assets		
Investment securities	812,706	826,992
Leasehold and guarantee deposits	599,062	592,755
Deferred tax assets	297,446	72,018
Other	627,133	580,770
Total investments and other assets	2,336,349	2,072,536
Total non-current assets	2,909,579	2,707,165
Total assets	20,200,643	17,856,621
Liabilities		
Current liabilities		
Notes and accounts payable - trade	275,036	283,084
Short-term borrowings	2,501,000	–
Income taxes payable	604,324	121,718
Provision for bonuses	134,872	127,411
Other	1,570,542	1,418,153
Total current liabilities	5,085,775	1,950,368
Non-current liabilities		
Deferred tax liabilities	23,757	29,641
Other	78,484	71,927
Total non-current liabilities	102,242	101,568
Total liabilities	5,188,018	2,051,937
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,517,823	1,540,594
Retained earnings	12,045,870	12,684,031
Treasury shares	(502,479)	(490,219)
Total shareholders' equity	14,660,751	15,333,944

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,925	28,377
Foreign currency translation adjustment	164,379	294,500
Total accumulated other comprehensive income	170,305	322,877
Share acquisition rights	23,745	10,649
Non-controlling interests	157,822	137,212
Total net assets	15,012,625	15,804,684
Total liabilities and net assets	20,200,643	17,856,621

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, 2022	Six months ended September 30, 2023
Net sales	6,773,759	11,463,964
Cost of sales	854,815	4,098,203
Gross profit	5,918,944	7,365,760
Selling, general and administrative expenses	5,164,601	5,785,201
Operating profit	754,342	1,580,558
Non-operating income		
Interest income	8,028	15,699
Foreign exchange gains	169,804	33,374
Gain on reversal of share acquisition rights	13,801	12,220
Other	6,643	3,554
Total non-operating income	198,277	64,849
Non-operating expenses		
Interest expenses	3,410	4,186
Loss on investments in investment partnerships	5,464	4,724
Commission expenses	22,723	10,890
Other	11,784	4,323
Total non-operating expenses	43,383	24,124
Ordinary profit	909,237	1,621,284
Profit before income taxes	909,237	1,621,284
Income taxes - current	89,572	113,338
Income taxes - deferred	199,054	219,544
Total income taxes	288,626	332,882
Profit	620,610	1,288,401
Profit (loss) attributable to non-controlling interests	(2,816)	12,513
Profit attributable to owners of parent	623,426	1,275,887

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	620,610	1,288,401
Other comprehensive income		
Valuation difference on available-for-sale securities	1,108	22,451
Foreign currency translation adjustment	157,635	135,348
Total other comprehensive income	158,744	157,800
Comprehensive income	779,355	1,446,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	780,460	1,428,460
Comprehensive income attributable to non-controlling interests	(1,105)	17,741

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	909,237	1,621,284
Depreciation	75,386	74,136
Amortization of goodwill	57	57
Increase (decrease) in provision for bonuses	3,094	(7,460)
Interest and dividend income	(8,028)	(15,699)
Interest expenses	3,410	4,186
Foreign exchange losses (gains)	(169,804)	(33,374)
Loss (gain) on investments in investment partnerships	5,464	4,724
Decrease (increase) in operational investment securities	(2,151,302)	3,216,824
Decrease (increase) in trade receivables	277,875	123,801
Increase (decrease) in allowance for doubtful accounts	5,674	4,775
Decrease (increase) in inventories	(213,198)	(278,648)
Increase (decrease) in trade payables	(18,104)	8,048
Decrease (increase) in other assets	(12,727)	(1,916,119)
Increase (decrease) in other liabilities	(419,438)	(264,287)
Subtotal	(1,712,402)	2,542,249
Interest and dividends received	7,711	15,075
Interest paid	(5,113)	(3,898)
Income taxes paid	(765,925)	(613,841)
Net cash provided by (used in) operating activities	(2,475,730)	1,939,584
Cash flows from investing activities		
Purchase of property, plant and equipment	(115,266)	(94,219)
Purchase of intangible assets	(270)	(12,790)
Purchase of investment securities	(9,973)	(68)
Proceeds from the dividend of investment securities	83	360
Long-term loan advances	(55,027)	–
Payments of leasehold and guarantee deposits	(148)	(187)
Proceeds from refund of leasehold and guarantee deposits	2,505	92
Other, net	310	10,914
Net cash provided by (used in) investing activities	(177,786)	(95,897)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	501,000	(2,501,000)
Proceeds from received an investment to non-controlling shareholders	22,361	–
the amount of payment of the dividend to non-controlling shareholders	(474)	(38,351)
Proceeds from disposal of treasury shares	–	32,599
Dividends paid	(532,644)	(628,232)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(59,182)	–
Other, net	(8,433)	(495)
Net cash provided by (used in) financing activities	(77,374)	(3,135,480)
Effect of exchange rate change on cash and cash equivalents	173,959	135,146
Net increase (decrease) in cash and cash equivalents	(2,556,932)	(1,156,646)
Cash and cash equivalents at beginning of period	9,662,826	9,151,196
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	34,507
Cash and cash equivalents at end of period	7,105,894	8,029,057