

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 6, 2020

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: Head of Finance and Accounting Kazunori Tanida TEL 03-6212-2500  
 Scheduled date to file Quarterly Securities Report: November 13, 2020  
 Scheduled date to commence dividend payments: December 7, 2020  
 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, 2020 (from April 1, 2020 to September 30, 2020)

#### (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, 2020	5,618	(10.8)	244	(73.3)	220	(75.3)	(44)	—
Six months ended September 30, 2019	6,301	8.3	916	102.5	895	75.4	582	98.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	(2.35)	—
Six months ended September 30, 2019	30.66	30.62

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	14,585	11,485	77.8
As of March 31, 2020	15,010	12,000	78.9

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	23.00	—	23.00	46.00
Year ending March 31, 2021	—	15.00			
Year ending March 31, 2021 (Forecast)			—	16.00	31.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	13,950	2.7	1,400	(36.6)	1,370	(37.5)	700	(43.2)	36.84

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020  
(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, 2020	19,896,000 shares	As of March 31, 2020	19,896,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	895,090 shares	As of March 31, 2020	897,848 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, 2020	19,000,069 shares	Six months ended September 30, 2019	18,996,851 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	6,251,994	6,316,304
Notes and accounts receivable - trade	1,509,582	949,673
Operational investment securities	3,921,382	3,841,727
Merchandise and finished goods	99,826	107,045
Raw materials and supplies	116	116
Other	361,773	367,219
Total current assets	12,144,675	11,582,086
Non-current assets		
Property, plant and equipment	503,719	487,983
Intangible assets		
Goodwill	628	571
Other	172,072	178,162
Total intangible assets	172,700	178,733
Investments and other assets		
Investment securities	840,964	849,381
Leasehold and guarantee deposits	585,702	642,833
Deferred tax assets	243,346	350,888
Other	519,778	493,359
Total investments and other assets	2,189,792	2,336,463
Total non-current assets	2,866,212	3,003,181
Total assets	15,010,887	14,585,268
Liabilities		
Current liabilities		
Notes and accounts payable - trade	253,387	178,485
Short-term borrowings	500,000	2,000,000
Income taxes payable	732,320	73,327
Provision for bonuses	135,938	131,248
Other	1,304,704	620,228
Total current liabilities	2,926,351	3,003,288
Non-current liabilities		
Deferred tax liabilities	10,767	8,989
Other	73,182	87,547
Total non-current liabilities	83,949	96,536
Total liabilities	3,010,301	3,099,825
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,523,982	1,526,001
Retained earnings	9,272,156	8,790,380
Treasury shares	(525,355)	(523,772)
Total shareholders' equity	11,870,321	11,392,147

	(Thousands of yen)	
	As of March 31, 2020	As of September 30, 2020
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,182	(4,961)
Foreign currency translation adjustment	(20,227)	(26,869)
Total accumulated other comprehensive income	(12,045)	(31,830)
Share acquisition rights	27,304	29,549
Non-controlling interests	115,005	95,575
Total net assets	12,000,585	11,485,442
Total liabilities and net assets	15,010,887	14,585,268

**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, 2019	Six months ended September 30, 2020
Net sales	6,301,372	5,618,293
Cost of sales	836,859	884,886
Gross profit	5,464,512	4,733,407
Selling, general and administrative expenses	4,548,162	4,488,941
Operating profit	916,349	244,466
Non-operating income		
Interest income	10,063	8,951
Subsidy income	—	10,122
Other	3,716	8,613
Total non-operating income	13,780	27,687
Non-operating expenses		
Interest expenses	—	2,583
Loss on investments in investment partnerships	5,513	5,142
Foreign exchange losses	26,955	14,059
Commission expenses	—	12,030
Other	2,174	17,715
Total non-operating expenses	34,643	51,530
Ordinary profit	895,486	220,623
Extraordinary losses		
Loss on retirement of non-current assets	32,869	2,179
Special executive bonuses	—	300,000
Total extraordinary losses	32,869	302,179
Profit (loss) before income taxes	862,617	(81,556)
Income taxes - current	329,163	74,446
Income taxes - deferred	(35,499)	(102,090)
Total income taxes	293,664	(27,643)
Profit (loss)	568,953	(53,912)
Loss attributable to non-controlling interests	(13,525)	(9,094)
Profit (loss) attributable to owners of parent	582,478	(44,818)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	568,953	(53,912)
Other comprehensive income		
Valuation difference on available-for-sale securities	8,606	(13,143)
Foreign currency translation adjustment	(18,714)	(6,949)
Total other comprehensive income	(10,108)	(20,092)
Comprehensive income	558,845	(74,005)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	573,414	(64,603)
Comprehensive income attributable to non-controlling interests	(14,569)	(9,402)

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	862,617	(81,556)
Depreciation	51,100	65,612
Amortization of goodwill	34,913	57
Increase (decrease) in provision for bonuses	4,500	(4,690)
Interest and dividend income	(10,063)	(8,951)
Interest expenses	–	2,583
Foreign exchange losses (gains)	26,955	14,059
Special executive bonuses	–	300,000
Loss (gain) on investments in investment partnerships	5,513	5,142
Decrease (increase) in investment securities for sale	(1,240,830)	79,655
Loss on retirement of non-current assets	32,869	2,179
Decrease (increase) in trade receivables	311,673	559,908
Decrease (increase) in inventories	(8,868)	(7,218)
Increase (decrease) in trade payables	(30,780)	(74,902)
Decrease (increase) in other assets	(8,798)	83,936
Increase (decrease) in other liabilities	(194,666)	(715,132)
Subtotal	(163,863)	220,683
Interest and dividends received	10,034	9,039
Interest paid	–	(818)
Payments for special executive bonuses	–	(300,000)
Income taxes paid	(121,717)	(746,483)
Net cash provided by (used in) operating activities	(275,546)	(817,578)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	54,680	–
Purchase of property, plant and equipment	(48,585)	(37,543)
Purchase of intangible assets	(67,360)	(18,149)
Purchase of investment securities	(4,976)	(50,867)
Proceeds from the dividend of investment securities	504	524
Payments of leasehold and guarantee deposits	(7,247)	(65,434)
Proceeds from refund of leasehold and guarantee deposits	3,486	2,732
Other, net	1,944	–
Net cash provided by (used in) investing activities	(67,554)	(168,737)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	1,500,000
Proceeds from received an investment to non-controlling shareholders	12,491	1,701
the amount of payment of the dividend to non-controlling shareholders	(9,466)	(11,729)
Proceeds from disposal of treasury shares	2,024	2,881
Purchase of treasury shares	–	(55)
Dividends paid	(436,923)	(436,957)
Other, net	–	7,986
Net cash provided by (used in) financing activities	(431,874)	1,063,826
Effect of exchange rate change on cash and cash equivalents	(11,012)	(11,929)
Net increase (decrease) in cash and cash equivalents	(785,988)	65,580
Cash and cash equivalents at beginning of period	7,929,587	6,055,915
Cash and cash equivalents at end of period	7,143,599	6,121,495