

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

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 to file Quarterly Securities Report: February 12, 2021
 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, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	8,708	(6.1)	641	(44.8)	596	(48.3)	171	(77.0)
Nine months ended December 31, 2019	9,275	4.9	1,164	51.8	1,155	42.3	745	55.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	9.00	9.00
Nine months ended December 31, 2019	39.21	39.17

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	14,581	11,443	77.5
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2020	19,000,350 shares	Nine months ended December 31, 2019	18,997,309 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	6,251,994	6,522,106
Notes and accounts receivable - trade	1,509,582	878,673
Operational investment securities	3,921,382	3,835,719
Merchandise and finished goods	99,826	106,458
Raw materials and supplies	116	116
Other	361,773	367,588
Total current assets	12,144,675	11,710,662
Non-current assets		
Property, plant and equipment	503,719	496,369
Intangible assets		
Goodwill	628	542
Other	172,072	171,167
Total intangible assets	172,700	171,710
Investments and other assets		
Investment securities	840,964	810,322
Leasehold and guarantee deposits	585,702	658,800
Deferred tax assets	243,346	253,856
Other	519,778	480,055
Total investments and other assets	2,189,792	2,203,033
Total non-current assets	2,866,212	2,871,113
Total assets	15,010,887	14,581,775
Liabilities		
Current liabilities		
Notes and accounts payable - trade	253,387	191,228
Short-term borrowings	500,000	2,000,000
Income taxes payable	732,320	59,744
Provision for bonuses	135,938	–
Other	1,304,704	794,598
Total current liabilities	2,926,351	3,045,571
Non-current liabilities		
Deferred tax liabilities	10,767	9,067
Other	73,182	83,731
Total non-current liabilities	83,949	92,799
Total liabilities	3,010,301	3,138,370

	(Thousands of yen)	
	As of March 31, 2020	As of December 31, 2020
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	8,721,224
Treasury shares	(525,355)	(523,772)
Total shareholders' equity	11,870,321	11,322,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,182	10,561
Foreign currency translation adjustment	(20,227)	(24,948)
Total accumulated other comprehensive income	(12,045)	(14,386)
Share acquisition rights	27,304	31,820
Non-controlling interests	115,005	102,979
Total net assets	12,000,585	11,443,405
Total liabilities and net assets	15,010,887	14,581,775

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, 2019	Nine months ended December 31, 2020
Net sales	9,275,153	8,708,304
Cost of sales	1,176,491	1,249,548
Gross profit	8,098,662	7,458,755
Selling, general and administrative expenses	6,934,353	6,816,891
Operating profit	1,164,308	641,864
Non-operating income		
Interest income	13,281	11,892
Subsidy income	—	12,172
Other	3,833	17,087
Total non-operating income	17,115	41,152
Non-operating expenses		
Interest expenses	—	4,244
Loss on investments in investment partnerships	5,513	5,142
Foreign exchange losses	15,949	40,673
Commission expenses	—	17,946
Other	3,972	18,018
Total non-operating expenses	25,435	86,026
Ordinary profit	1,155,988	596,990
Extraordinary losses		
Loss on valuation of investment securities	—	46,379
Loss on retirement of non-current assets	36,377	2,285
Special executive bonuses	—	300,000
Total extraordinary losses	36,377	348,665
Profit before income taxes	1,119,611	248,325
Income taxes - current	357,235	92,379
Income taxes - deferred	34,429	(11,559)
Total income taxes	391,664	80,819
Profit	727,946	167,505
Loss attributable to non-controlling interests	(17,111)	(3,533)
Profit attributable to owners of parent	745,058	171,038

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	727,946	167,505
Other comprehensive income		
Valuation difference on available-for-sale securities	7,885	2,379
Foreign currency translation adjustment	(927)	(3,433)
Total other comprehensive income	6,957	(1,053)
Comprehensive income	734,904	166,451
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	751,527	168,697
Comprehensive income attributable to non-controlling interests	(16,623)	(2,246)

Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before income taxes	1,119,611	248,325
Depreciation	82,370	100,527
Amortization of goodwill	52,469	85
Increase (decrease) in provision for bonuses	(139,015)	(135,938)
Interest and dividend income	(13,281)	(11,892)
Interest expenses	–	4,244
Foreign exchange losses (gains)	15,949	40,673
Special executive bonuses	–	300,000
Loss (gain) on investments in investment partnerships	5,513	5,142
Decrease (increase) in investment securities for sale	(2,145,177)	85,662
Loss (gain) on valuation of investment securities	–	46,379
Loss on retirement of non-current assets	36,377	2,285
Decrease (increase) in trade receivables	344,175	630,909
Decrease (increase) in inventories	(2,382)	(6,631)
Increase (decrease) in trade payables	(73,579)	(62,158)
Decrease (increase) in other assets	(384,827)	79,985
Increase (decrease) in other liabilities	(5,507)	(542,283)
Subtotal	(1,107,305)	785,316
Interest and dividends received	10,410	9,318
Interest paid	–	(3,280)
Payments for special executive bonuses	–	(300,000)
Income taxes paid	(352,226)	(794,963)
Net cash provided by (used in) operating activities	(1,449,120)	(303,609)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	54,680	–
Purchase of property, plant and equipment	(75,953)	(73,458)
Purchase of intangible assets	(84,783)	(18,149)
Purchase of investment securities	(5,900)	(50,907)
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Payments of leasehold and guarantee deposits	(19,747)	(65,970)
Proceeds from refund of leasehold and guarantee deposits	3,659	3,107
Other, net	1,944	–
Net cash provided by (used in) investing activities	(125,597)	(201,052)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	1,500,000
Proceeds from received an investment to non-controlling shareholders	26,597	1,950
Proceeds from disposal of treasury shares	2,024	2,881
Purchase of treasury shares	(135)	(55)
Dividends paid	(873,883)	(711,532)
the amount of payment of the dividend to non-controlling shareholders	(9,513)	(11,729)
Other, net	–	7,741
Net cash provided by (used in) financing activities	(854,910)	789,255
Effect of exchange rate change on cash and cash equivalents	(4,341)	(12,242)
Net increase (decrease) in cash and cash equivalents	(2,433,969)	272,350
Cash and cash equivalents at beginning of period	7,929,587	6,055,915
Cash and cash equivalents at end of period	5,495,617	6,328,265