

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 7, 2019

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, 2019  
 Scheduled date to commence dividend payments: December 5, 2019  
 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, 2019 (from April 1, 2019 to September 30, 2019)

#### (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, 2019	6,301	8.3	916	102.5	895	75.4	582	98.9
Six months ended September 30, 2018	5,820	(2.5)	452	(63.9)	510	(59.6)	292	(63.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	30.66	30.62
Six months ended September 30, 2018	15.41	15.39

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	13,240	11,733	87.8
As of March 31, 2019	13,200	11,601	87.0

### 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, 2019	—	23.00	—	23.00	46.00
Year ending March 31, 2020	—	23.00			
Year ending March 31, 2020 (Forecast)			—	23.00	46.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	14,300	6.7	2,500	8.3	2,500	6.2	1,670	4.4	87.90

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019  
(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, 2019	19,896,000 shares	As of March 31, 2019	19,896,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	897,733 shares	As of March 31, 2019	899,333 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, 2019	18,996,851 shares	Six months ended September 30, 2018	18,993,648 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	8,182,058	7,339,288
Notes and accounts receivable - trade	1,323,016	1,011,342
Operational investment securities	376,152	1,616,982
Merchandise and finished goods	42,570	51,439
Raw materials and supplies	116	116
Other	356,415	307,101
Total current assets	10,280,330	10,326,270
Non-current assets		
Property, plant and equipment	480,246	464,044
Intangible assets		
Goodwill	288,596	240,868
Other	129,442	156,491
Total intangible assets	418,039	397,360
Investments and other assets		
Investment securities	760,634	752,586
Leasehold and guarantee deposits	554,360	549,915
Deferred tax assets	76,814	105,415
Other	629,840	644,728
Total investments and other assets	2,021,650	2,052,646
Total non-current assets	2,919,936	2,914,051
Total assets	13,200,266	13,240,321
Liabilities		
Current liabilities		
Notes and accounts payable - trade	273,470	242,690
Income taxes payable	262,933	377,746
Provision for bonuses	139,015	143,516
Other	872,938	696,953
Total current liabilities	1,548,359	1,460,906
Non-current liabilities		
Deferred tax liabilities	476	—
Other	49,636	45,512
Total non-current liabilities	50,112	45,512
Total liabilities	1,598,471	1,506,419
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,523,982	1,523,982
Retained earnings	8,911,536	9,058,555
Treasury shares	(526,094)	(525,158)
Total shareholders' equity	11,508,962	11,656,917

	(Thousands of yen)	
	As of March 31, 2019	As of September 30, 2019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,148)	1,457
Foreign currency translation adjustment	(14,333)	(32,004)
Total accumulated other comprehensive income	(21,482)	(30,546)
Share acquisition rights	17,519	22,280
Non-controlling interests	96,795	85,251
Total net assets	11,601,794	11,733,902
Total liabilities and net assets	13,200,266	13,240,321

**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, 2018	Six months ended September 30, 2019
Net sales	5,820,374	6,301,372
Cost of sales	982,424	836,859
Gross profit	4,837,949	5,464,512
Selling, general and administrative expenses	4,385,479	4,548,162
Operating profit	452,470	916,349
Non-operating income		
Interest income	6,625	10,063
Foreign exchange gains	50,947	—
Other	7,675	3,716
Total non-operating income	65,249	13,780
Non-operating expenses		
Loss on investments in investment partnerships	5,244	5,513
Foreign exchange losses	—	26,955
Other	1,923	2,174
Total non-operating expenses	7,168	34,643
Ordinary profit	510,550	895,486
Extraordinary losses		
Loss on retirement of non-current assets	—	32,869
Total extraordinary losses	—	32,869
Profit before income taxes	510,550	862,617
Income taxes - current	80,326	329,163
Income taxes - deferred	128,025	(35,499)
Total income taxes	208,351	293,664
Profit	302,199	568,953
Profit (loss) attributable to non-controlling interests	9,336	(13,525)
Profit attributable to owners of parent	292,862	582,478

# Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	302,199	568,953
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,800)	8,606
Foreign currency translation adjustment	9,024	(18,714)
Total other comprehensive income	(775)	(10,108)
Comprehensive income	301,423	558,845
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	291,487	573,414
Comprehensive income attributable to non-controlling interests	9,935	(14,569)

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	510,550	862,617
Depreciation	38,465	51,100
Amortization of goodwill	35,952	34,913
Increase (decrease) in provision for bonuses	35,296	4,500
Interest and dividend income	(6,625)	(10,063)
Foreign exchange losses (gains)	(50,947)	26,955
Loss (gain) on investments in investment partnerships	5,244	5,513
Decrease (increase) in investment securities for sale	207,115	(1,240,830)
Loss on retirement of non-current assets	—	32,869
Decrease (increase) in trade receivables	299,293	311,673
Decrease (increase) in inventories	(3,143)	(8,868)
Increase (decrease) in trade payables	(259,850)	(30,780)
Decrease (increase) in other assets	(29,340)	(8,798)
Increase (decrease) in other liabilities	(539,568)	(194,666)
Subtotal	242,442	(163,863)
Interest and dividends received	5,943	10,034
Income taxes paid	(276,826)	(121,717)
Net cash provided by (used in) operating activities	(28,441)	(275,546)
Cash flows from investing activities		
Payments into time deposits	(97,338)	—
Proceeds from withdrawal of time deposits	86,953	54,680
Purchase of property, plant and equipment	(12,988)	(48,585)
Purchase of intangible assets	(816)	(67,360)
Purchase of investment securities	(4,024)	(4,976)
Proceeds from the dividend of investment securities	1,206	504
Long-term loan advances	(221,800)	—
Payments of leasehold and guarantee deposits	(7,571)	(7,247)
Proceeds from refund of leasehold and guarantee deposits	1,954	3,486
Other, net	2,219	1,944
Net cash provided by (used in) investing activities	(252,205)	(67,554)
Cash flows from financing activities		
Proceeds from received an investment to non-controlling shareholders	—	12,491
Proceeds from disposal of treasury shares	1,234	2,024
Dividends paid	(436,841)	(436,923)
the amount of payment of the dividend to non-controlling shareholders	(18,037)	(9,466)
Net cash provided by (used in) financing activities	(453,644)	(431,874)
Effect of exchange rate change on cash and cash equivalents	(1,095)	(11,012)
Net increase (decrease) in cash and cash equivalents	(735,387)	(785,988)
Cash and cash equivalents at beginning of period	7,539,662	7,929,587
Cash and cash equivalents at end of period	6,804,275	7,143,599