

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 20, 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 of ordinary general meeting of shareholders: June 26, 2020
 Scheduled date to file Securities Report: June 29, 2020
 Scheduled date to commence dividend payments: June 12, 2020
 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, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020 | 13,576 | 1.3 | 2,208 | (4.3) | 2,193 | (6.8) | 1,233 | (22.8) |
| Year ended March 31, 2019 | 13,400 | 2.2 | 2,308 | (20.8) | 2,354 | (18.2) | 1,599 | (13.6) |

| | 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, 2020 | 64.90 | 64.84 | 10.5 | 15.5 | 16.2 |
| Year ended March 31, 2019 | 84.19 | 84.05 | 14.3 | 17.8 | 17.2 |

(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, 2020 | 15,010 | 12,000 | 78.9 | 624.18 |
| As of March 31, 2019 | 13,200 | 11,601 | 87.0 | 604.71 |

(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, 2020 | (1,162) | (313) | (365) | 6,055 |
| Year ended March 31, 2019 | 1,738 | (454) | (888) | 7,929 |

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, 2019 | — | 23.00 | — | 23.00 | 46.00 | 873 | 54.6 | 7.8 |
| Year ended March 31, 2020 | — | 23.00 | — | 23.00 | 46.00 | 873 | 70.8 | 7.4 |
| Year ending March 31, 2021 (Forecast) | — | — | — | — | — | — | — | — |

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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, 2020 | 19,896,000 shares | As of March 31, 2019 | 19,896,000 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|----------------|----------------------|----------------|
| As of March 31, 2020 | 897,848 shares | As of March 31, 2019 | 899,333 shares |
|----------------------|----------------|----------------------|----------------|

Average number of shares during the period

| | | | |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2020 | 18,997,525 shares | Year ended March 31, 2019 | 18,994,013 shares |
|---------------------------|-------------------|---------------------------|-------------------|

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|---------------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,182,058 | 6,251,994 |
| Notes and accounts receivable - trade | 1,323,016 | 1,509,582 |
| Operational investment securities | 376,152 | 3,921,382 |
| Merchandise and finished goods | 42,570 | 99,826 |
| Raw materials and supplies | 116 | 116 |
| Other | 356,415 | 361,773 |
| Total current assets | 10,280,330 | 12,144,675 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 386,432 | 388,454 |
| Accumulated depreciation | (140,453) | (140,789) |
| Buildings and structures, net | 245,979 | 247,665 |
| Land | 74,653 | 74,653 |
| Other | 478,437 | 513,908 |
| Accumulated depreciation | (318,823) | (332,507) |
| Other, net | 159,613 | 181,400 |
| Total property, plant and equipment | 480,246 | 503,719 |
| Intangible assets | | |
| Goodwill | 288,596 | 628 |
| Other | 129,442 | 172,072 |
| Total intangible assets | 418,039 | 172,700 |
| Investments and other assets | | |
| Investment securities | 760,634 | 840,964 |
| Leasehold and guarantee deposits | 554,360 | 585,702 |
| Deferred tax assets | 76,814 | 243,346 |
| Other | 629,840 | 519,778 |
| Total investments and other assets | 2,021,650 | 2,189,792 |
| Total non-current assets | 2,919,936 | 2,866,212 |
| Total assets | 13,200,266 | 15,010,887 |

| | (Thousands of yen) | |
|---|----------------------|----------------------|
| | As of March 31, 2019 | As of March 31, 2020 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 273,470 | 253,387 |
| Short-term borrowings | — | 500,000 |
| Income taxes payable | 262,933 | 732,320 |
| Provision for bonuses | 139,015 | 135,938 |
| Other | 872,938 | 1,304,704 |
| Total current liabilities | 1,548,359 | 2,926,351 |
| Non-current liabilities | | |
| Deferred tax liabilities | 476 | 10,767 |
| Other | 49,636 | 73,182 |
| Total non-current liabilities | 50,112 | 83,949 |
| Total liabilities | 1,598,471 | 3,010,301 |
| 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 | 9,272,156 |
| Treasury shares | (526,094) | (525,355) |
| Total shareholders' equity | 11,508,962 | 11,870,321 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (7,148) | 8,182 |
| Foreign currency translation adjustment | (14,333) | (20,227) |
| Total accumulated other comprehensive income | (21,482) | (12,045) |
| Share acquisition rights | 17,519 | 27,304 |
| Non-controlling interests | 96,795 | 115,005 |
| Total net assets | 11,601,794 | 12,000,585 |
| Total liabilities and net assets | 13,200,266 | 15,010,887 |

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

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 13,400,413 | 13,576,016 |
| Cost of sales | 2,209,628 | 1,696,535 |
| Gross profit | 11,190,785 | 11,879,481 |
| Selling, general and administrative expenses | 8,882,424 | 9,670,534 |
| Operating profit | 2,308,360 | 2,208,946 |
| Non-operating income | | |
| Interest income | 16,208 | 19,688 |
| Foreign exchange gains | 28,174 | — |
| Other | 13,552 | 3,752 |
| Total non-operating income | 57,934 | 23,440 |
| Non-operating expenses | | |
| Loss on investments in investment partnerships | 7,636 | 8,978 |
| Foreign exchange losses | — | 22,813 |
| Other | 4,191 | 7,465 |
| Total non-operating expenses | 11,827 | 39,257 |
| Ordinary profit | 2,354,468 | 2,193,128 |
| Extraordinary income | | |
| Insurance claim income | — | 60,329 |
| Total extraordinary income | — | 60,329 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | — | 18,212 |
| Loss on retirement of non-current assets | — | 36,518 |
| Impairment loss | — | 231,018 |
| Total extraordinary losses | — | 285,749 |
| Profit before income taxes | 2,354,468 | 1,967,708 |
| Income taxes - current | 503,743 | 891,724 |
| Income taxes - deferred | 215,412 | (159,793) |
| Total income taxes | 719,156 | 731,930 |
| Profit | 1,635,312 | 1,235,777 |
| Profit attributable to non-controlling interests | 36,122 | 2,737 |
| Profit attributable to owners of parent | 1,599,189 | 1,233,040 |

Consolidated statements of comprehensive income

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,635,312 | 1,235,777 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,736 | 15,330 |
| Foreign currency translation adjustment | 4,169 | (11,449) |
| Total other comprehensive income | 6,905 | 3,881 |
| Comprehensive income | 1,642,217 | 1,239,658 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,605,063 | 1,242,476 |
| Comprehensive income attributable to non-controlling interests | 37,154 | (2,817) |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,599,538 | 1,523,982 | 8,184,870 | (528,093) | 10,780,297 |
| Changes during period | | | | | |
| Dividends of surplus | | | (873,710) | | (873,710) |
| Profit attributable to owners of parent | | | 1,599,189 | | 1,599,189 |
| Purchase of treasury shares | | | | (106) | (106) |
| Disposal of treasury shares | | | 1,186 | 2,105 | 3,292 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | 726,665 | 1,999 | 728,665 |
| Balance at end of period | 1,599,538 | 1,523,982 | 8,911,536 | (526,094) | 11,508,962 |

| | 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 | (9,884) | (17,471) | (27,356) | 6,761 | 76,795 | 10,836,498 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (873,710) |
| Profit attributable to owners of parent | | | | | | 1,599,189 |
| Purchase of treasury shares | | | | | | (106) |
| Disposal of treasury shares | | | | | | 3,292 |
| Net changes in items other than shareholders' equity | 2,736 | 3,137 | 5,874 | 10,757 | 19,999 | 36,631 |
| Total changes during period | 2,736 | 3,137 | 5,874 | 10,757 | 19,999 | 765,296 |
| Balance at end of period | (7,148) | (14,333) | (21,482) | 17,519 | 96,795 | 11,601,794 |

Fiscal year ended March 31, 2020

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,599,538 | 1,523,982 | 8,911,536 | (526,094) | 11,508,962 |
| Changes during period | | | | | |
| Dividends of surplus | | | (873,883) | | (873,883) |
| Profit attributable to owners of parent | | | 1,233,040 | | 1,233,040 |
| Purchase of treasury shares | | | | (197) | (197) |
| Disposal of treasury shares | | | 1,463 | 935 | 2,399 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | 360,620 | 738 | 361,358 |
| Balance at end of period | 1,599,538 | 1,523,982 | 9,272,156 | (525,355) | 11,870,321 |

| | 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 | (7,148) | (14,333) | (21,482) | 17,519 | 96,795 | 11,601,794 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (873,883) |
| Profit attributable to owners of parent | | | | | | 1,233,040 |
| Purchase of treasury shares | | | | | | (197) |
| Disposal of treasury shares | | | | | | 2,399 |
| Net changes in items other than shareholders' equity | 15,330 | (5,893) | 9,436 | 9,785 | 18,209 | 37,432 |
| Total changes during period | 15,330 | (5,893) | 9,436 | 9,785 | 18,209 | 398,791 |
| Balance at end of period | 8,182 | (20,227) | (12,045) | 27,304 | 115,005 | 12,000,585 |

Consolidated statements of cash flows

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,354,468 | 1,967,708 |
| Depreciation | 103,250 | 119,946 |
| Amortization of goodwill | 71,958 | 69,774 |
| Increase (decrease) in provision for bonuses | 20,685 | (3,076) |
| Interest and dividend income | (16,208) | (19,688) |
| Insurance claim income | — | (60,329) |
| Foreign exchange losses (gains) | (28,174) | 22,813 |
| Loss (gain) on investments in investment partnerships | 7,636 | 8,978 |
| Loss (gain) on valuation of investment securities | — | 18,212 |
| Loss on retirement of non-current assets | — | 36,518 |
| Impairment loss | — | 231,018 |
| Decrease (increase) in investment securities for sale | 413,593 | (3,545,229) |
| Decrease (increase) in trade receivables | (89,818) | (186,565) |
| Decrease (increase) in inventories | (2,244) | (57,256) |
| Increase (decrease) in trade payables | (162,843) | (20,082) |
| Decrease (increase) in other assets | 66,487 | (114,040) |
| Increase (decrease) in other liabilities | (388,450) | 437,032 |
| Subtotal | 2,350,340 | (1,094,264) |
| Interest and dividends received | 16,137 | 22,943 |
| income from receipt of insurance money | — | 250,000 |
| Income taxes paid | (627,559) | (341,647) |
| Net cash provided by (used in) operating activities | 1,738,918 | (1,162,969) |
| 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 | (111,108) | (115,736) |
| Purchase of intangible assets | (85,081) | (86,711) |
| Purchase of investment securities | (15,159) | (103,635) |
| Cash dividends income to Investment securities | 2,216 | 1,827 |
| Long-term loan advances | (221,800) | — |
| Payments of leasehold and guarantee deposits | (19,883) | (52,322) |
| Proceeds from refund of leasehold and guarantee deposits | 15,437 | 4,812 |
| Other, net | (8,826) | (16,159) |
| Net cash provided by (used in) investing activities | (454,590) | (313,245) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings | — | 500,000 |
| Proceeds from received an investment to non-controlling shareholders | 1,132 | 32,278 |
| Proceeds from disposal of treasury shares | 2,610 | 2,024 |
| Purchase of treasury shares | (106) | (197) |
| Dividends paid | (873,710) | (873,883) |
| the amount of payment of the dividend to non-controlling shareholders | (18,287) | (11,250) |
| Other, net | — | (14,916) |
| Net cash provided by (used in) financing activities | (888,361) | (365,945) |
| Effect of exchange rate change on cash and cash equivalents | (6,041) | (31,511) |
| Net increase (decrease) in cash and cash equivalents | 389,924 | (1,873,672) |
| Cash and cash equivalents at beginning of period | 7,539,662 | 7,929,587 |
| Cash and cash equivalents at end of period | 7,929,587 | 6,055,915 |