

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
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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
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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
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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