

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 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: February 14, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	8,840	(2.0)	766	(56.4)	812	(54.2)	479	(56.8)
Nine months ended December 31, 2017	9,021	17.5	1,760	22.1	1,774	16.3	1,111	13.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	25.22		25.18	
Nine months ended December 31, 2017	58.53		58.44	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	11,639	10,441	88.9	544.88
As of March 31, 2018	13,225	10,836	81.3	566.14

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2018	–	75.00	–	23.00	–
Year ending March 31, 2019	–	23.00	–		
Year ending March 31, 2019 (Forecast)				23.00	46.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	15,000	14.4	3,250	11.4	3,250	12.8	2,120	14.4	111.61

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2018	19,896,000 shares	As of March 31, 2018	19,896,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	901,694 shares	As of March 31, 2018	902,890 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, 2018	18,993,869 shares	Nine months ended December 31, 2017	18,987,136 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	7,777,337	6,671,787
Notes and accounts receivable - trade	1,233,198	882,188
Operational investment securities	789,746	582,631
Merchandise and finished goods	40,267	42,831
Raw materials and supplies	174	116
Other	586,231	623,681
Total current assets	10,426,955	8,803,237
Non-current assets		
Property, plant and equipment	454,260	449,001
Intangible assets		
Goodwill	356,943	303,341
Other	49,398	78,877
Total intangible assets	406,342	382,218
Investments and other assets		
Investment securities	725,762	746,009
Lease and guarantee deposits	547,727	550,128
Deferred tax assets	319,550	84,547
Other	345,270	624,781
Total investments and other assets	1,938,310	2,005,467
Total non-current assets	2,798,913	2,836,687
Total assets	13,225,868	11,639,925
Liabilities		
Current liabilities		
Notes and accounts payable - trade	436,313	142,742
Income taxes payable	493,179	94,127
Provision for bonuses	118,330	57,351
Other	1,279,286	851,412
Total current liabilities	2,327,111	1,145,633
Non-current liabilities		
Deferred tax liabilities	10,009	-
Other	52,249	53,211
Total non-current liabilities	62,258	53,211
Total liabilities	2,389,370	1,198,845
Net assets		
Shareholders' equity		
Capital stock	1,599,538	1,599,538
Capital surplus	1,523,982	1,523,982
Retained earnings	8,184,870	7,791,202
Treasury shares	(528,093)	(527,402)
Total shareholders' equity	10,780,297	10,387,320

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(9,884)	(13,408)
Foreign currency translation adjustment	(17,471)	(24,160)
Total accumulated other comprehensive income	(27,356)	(37,568)
Share acquisition rights	6,761	14,893
Non-controlling interests	76,795	76,435
Total net assets	10,836,498	10,441,080
Total liabilities and net assets	13,225,868	11,639,925

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, 2017	Nine months ended December 31, 2018
Net sales	9,021,664	8,840,272
Cost of sales	1,385,628	1,426,267
Gross profit	7,636,035	7,414,005
Selling, general and administrative expenses	5,875,584	6,647,232
Operating profit	1,760,451	766,772
Non-operating income		
Interest income	10,117	10,063
Dividend income	35	-
Foreign exchange gains	3,302	33,372
Other	3,332	10,952
Total non-operating income	16,787	54,388
Non-operating expenses		
Loss on investments in partnership	198	5,244
Other	2,334	3,808
Total non-operating expenses	2,532	9,053
Ordinary profit	1,774,706	812,108
Profit before income taxes	1,774,706	812,108
Income taxes - current	470,870	92,403
Income taxes - deferred	186,272	221,425
Total income taxes	657,143	313,828
Profit	1,117,563	498,279
Profit attributable to non-controlling interests	6,064	19,104
Profit attributable to owners of parent	1,111,498	479,175

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	1,117,563	498,279
Other comprehensive income		
Valuation difference on available-for-sale securities	(898)	(3,523)
Foreign currency translation adjustment	26,731	(7,929)
Total other comprehensive income	25,832	(11,453)
Comprehensive income	1,143,396	486,826
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,136,018	468,962
Comprehensive income attributable to non-controlling interests	7,377	17,863

Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from operating activities		
Profit before income taxes	1,774,706	812,108
Depreciation	69,172	61,065
Amortization of goodwill	53,909	54,034
Increase (decrease) in allowance for doubtful accounts	(740)	-
Increase (decrease) in provision for bonuses	68,724	(60,979)
Interest and dividend income	(10,153)	(10,063)
Foreign exchange losses (gains)	(3,302)	(33,372)
Loss (gain) on investments in partnership	198	5,244
Decrease (increase) in investment securities for sale	(529,373)	207,115
Decrease (increase) in notes and accounts receivable - trade	34,877	351,010
Decrease (increase) in inventories	(22,524)	(2,506)
Increase (decrease) in notes and accounts payable - trade	69,386	(293,571)
Decrease (increase) in other assets	(66,513)	65,042
Increase (decrease) in other liabilities	(397,132)	(409,707)
Subtotal	1,041,236	745,419
Interest and dividend income received	6,660	7,079
Income taxes paid	(1,046,384)	(652,128)
Net cash provided by (used in) operating activities	1,512	100,370
Cash flows from investing activities		
Payments into time deposits	-	(97,338)
Proceeds from withdrawal of time deposits	-	86,953
Purchase of property, plant and equipment	(27,592)	(52,325)
Purchase of intangible assets	(34,457)	(33,186)
Purchase of investment securities	(58,471)	(6,700)
toushiyuukasyoukennkaranobunnpai	109	1,342
Payments of long-term loans receivable	-	(221,800)
Payments for lease and guarantee deposits	(5,531)	(10,311)
Proceeds from collection of lease and guarantee deposits	1,323	13,842
Other, net	(40,719)	2,219
Net cash provided by (used in) investing activities	(165,339)	(317,305)
Cash flows from financing activities		
Proceeds from received an investment to non-controlling shareholders	27,111	63
Proceeds from disposal of treasury shares	402	1,234
Cash dividends paid	(672,408)	(873,710)
the amount of payment of the dividend to non-controlling shareholders	(823)	(18,287)
Other, net	(8,065)	(10)
Net cash provided by (used in) financing activities	(653,783)	(890,709)
Effect of exchange rate change on cash and cash equivalents	3,193	(12,708)
Net increase (decrease) in cash and cash equivalents	(814,416)	(1,120,353)
Cash and cash equivalents at beginning of period	7,148,275	7,539,662
Cash and cash equivalents at end of period	6,333,859	6,419,309