

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 6, 2025

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 Hideji Shuto TEL 03-6212-2500
 Inquiries: Administration Department
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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, 2024	17,060	0.4	3,440	22.7	3,430	21.3	2,266	5.6
Nine months ended December 31, 2023	16,991	38.3	2,803	21.0	2,827	19.4	2,144	31.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2024	118.81		118.74	
Nine months ended December 31, 2023	112.59		112.54	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2024	21,284		18,098		82.4	
As of March 31, 2024	20,758		17,059		80.1	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen		Yen		Yen
Year ended March 31, 2024	–	33.00	–	43.00	76.00
Year ending March 31, 2025	–	38.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	38.00	76.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	21,100	(4.8)	3,730	1.8	3,730	0.1	2,870	0.2	150.43

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: 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: Yes

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, 2024	19,896,000 shares	As of March 31, 2024	19,896,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	806,622 shares	As of March 31, 2024	834,901 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, 2024	19,074,748 shares	Nine months ended December 31, 2023	19,050,920 shares
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1. Overview of Business Performance

(1) Overview of consolidated business performance for the nine months ended December 31, 2024

In the nine months of the fiscal year ending March 31, 2025 (April 1 to December 31, 2024), YAMADA Consulting Group reported net sales of ¥17,060,790 thousand (+0.4% year on year), gross profit of ¥14,400,901 thousand (+22.8% year on year), operating profit of ¥3,440,802 thousand (+22.7% year on year), ordinary profit of ¥3,430,799 thousand (+21.3% year on year), and profit attributable to owners of parent of ¥2,266,420 thousand (+5.6% year on year).

Operating profit of ¥3,440,802 thousand for the nine months under review reached 92.2% of the full-year projection. This strong performance was driven by the realization of all equity investment sales in the first quarter, which had been anticipated in the full-year forecast for the private equity investment business under the Investment business segment. Additionally, large success fees for the M&A advisory services business, also anticipated in the full-year forecast, were recorded during the first half of the fiscal year. As a result, the Company has maintained its full-year consolidated forecast.

The financial results for the nine months ended December 31, 2024, year-on-year changes, and the full-year earnings forecast are as shown in the table below.

Nine-month results and full-year earnings forecast

(Thousands of yen)

	Results for the nine months ended December 31, 2024	Results for the nine months ended December 31, 2023	Year-on-year change		Forecast for the year ending March 31, 2025	Progress versus full-year forecast	Results for the year ended March 31, 2024
			Amount of change	Percent change			
Net sales	17,060,790	16,991,822	+68,968	+0.4%	21,100,000	80.8%	22,177,523
Gross profit	14,400,901	11,723,109	+2,677,791	+22.8%	17,870,000	80.5%	16,283,553
Operating profit	3,440,802	2,803,383	+637,419	+22.7%	3,730,000	92.2%	3,662,757
Ordinary profit	3,430,799	2,827,490	+603,308	+21.3%	3,730,000	91.9%	3,724,401
Profit attributable to owners of parent	2,266,420	2,144,982	+121,437	+5.6%	2,870,000	78.9%	2,861,559

The following is an overview of earnings for individual segments.

(Consulting business)

In the nine months ended December 31, 2024, the Consulting business reported sales of ¥14,665,526 thousand (+20.2% year on year), gross profit of ¥13,176,642 thousand (+21.8% year on year), and operating profit of ¥2,406,242 thousand (+18.1% year on year).

The M&A advisory services business performed strongly, supported by a steady increase in inquiries and orders for M&A projects, as well as the realization of sales from large projects. In addition, the management consulting also achieved strong results, driven by sustained robust demand for consultations and orders.

Consulting business: Nine-month results and full-year earnings forecast

(Thousands of yen)

	Results for the nine months ended December 31, 2024	Results for the nine months ended December 31, 2023	Year-on-year change		Forecast for the year ending March 31, 2025	Progress versus full-year forecast	Results for the year ended March 31, 2024
			Amount of change	Percent change			
Sales	14,665,526	12,193,049	+2,472,477	+20.2%	18,870,000	77.7%	17,370,231
Gross profit	13,176,642	10,812,467	+2,364,174	+21.8%	16,670,000	79.0%	15,366,763
Operating profit	2,406,242	2,036,225	+370,016	+18.1%	2,770,000	86.8%	2,959,329

(Reference figures) Consulting business sales and gross profit by business area (Millions of yen)

Business area		Results for the nine months ended December 31, 2024	Results for the nine months ended December 31, 2023	Year-on-year change (percent change)
Management consulting	Sales	5,847	5,302	+10.2%
	Gross profit	5,270	4,853	+8.6%
M&A advisory services	Sales	6,740	4,661	+44.6%
	Gross profit	6,140	3,952	+55.3%
	(Note) Number of deals closed	75	76	-1
Business succession consulting	Sales	1,392	1,392	+0.0%
	Gross profit	1,258	1,313	-4.2%
Real estate consulting	Sales	684	837	-18.2%
	Gross profit	507	692	-26.7%
Totals	Sales	14,665	12,193	+20.2%
	Gross profit	13,176	10,812	+21.8%

(Note) For the M&A advisory services business, in calculating the number of deals closed, each brokered transaction is counted as one deal.

(Investment business)

In the nine months ended December 31, 2024, the Investment business reported sales of ¥2,399,815 thousand (-50.0% year on year), gross profit of ¥1,224,259 thousand (+33.4% year on year), and operating profit of ¥1,034,560 thousand (+34.0% year on year).

Profits increased due to the sale of investee shares by the Company's funds in the private equity investment business and the recording of gains on the sale of investment properties in the real estate investment business.

Operating profit for the nine months under review reached 107.7% of the full-year projection, as all sales of equity investments anticipated in the full-year forecast were realized in the first quarter.

As of December 31, 2024, the balance of operational investment securities stood at ¥6,125,796 thousand, while the balance of investment properties was ¥1,205,594 thousand.

Investment business: Nine-month results and full-year earnings forecast

(Thousands of yen)

	Results for the nine months ended December 31, 2024	Results for the nine months ended December 31, 2023	Year-on-year change		Forecast for the year ending March 31, 2025	Progress versus full-year forecast	Results for the year ended March 31, 2024
			Amount of change	Percent change			
Sales	2,399,815	4,807,884	-2,408,068	-50.0%	2,230,000	107.6%	4,816,593
Gross profit	1,224,259	917,417	+306,841	+33.4%	1,200,000	102.0%	923,565
Operating profit	1,034,560	771,593	+262,966	+34.0%	960,000	107.7%	707,863

(Employees)

Number of employees on a consolidated basis

	March 31, 2024	December 31, 2024
General consultants	636	654
Expert consultants	196	212
Corporate staff	178	191
Total	1,010	1,057

(Note) Figures exclude executives, advisors, and employees seconded from other companies, but include temporary employees.

Number of employees joining and leaving the Company

	Year ended March 31, 2024	Nine months ended December 31, 2024		
		Parent company and Japanese subsidiaries	Overseas subsidiaries	Total
New graduate hires	20	21	—	21
Mid-career hires	201	85	33	118
Departures	122	69	23	92

(Notes) 1. Figures exclude executives, advisors, and employees seconded from other companies, but include temporary employees.

2. The number of mid-career hires at overseas subsidiaries during the nine months ended December 31, 2024 includes seven individuals who joined the Company following the inclusion of these subsidiaries within the scope of consolidation.

(2) Overview of financial results for the nine months ended December 31, 2024

Cash flows

During the nine months ended December 31, 2024, cash and cash equivalents decreased by ¥1,187,632 thousand (compared to a decrease of ¥1,897,561 thousand during the nine months ended December 31, 2023) due to ¥173,213 thousand used in operating activities and ¥682,527 thousand used in investing activities, partially offset by ¥529,936 thousand provided by financing activities. As a result, the balance of cash and cash equivalents as of December 31, 2024 stood at ¥8,500,212 thousand.

The status of cash flows for the nine months under review and the underlying factors are outlined below.

(Cash flows from operating activities)

Net cash used in operating activities was ¥173,213 thousand for the nine months ended December 31, 2024 (compared to ¥1,913,781 thousand provided by these activities for the nine months ended December 31, 2023).

Sources of cash consisted primarily of ¥3,430,799 thousand in profit before income taxes, and a ¥2,437,826 thousand decrease in other assets. However, these sources of cash were offset by uses of cash, including a ¥3,134,607 thousand increase in operational investment securities (mainly due to execution of equity investments in unlisted companies), a ¥430,661 thousand increase in inventories (due mainly to investment in real estate for sale in the real estate investment business), ¥1,834,786 thousand in income taxes paid, and a ¥994,767 thousand decrease in other liabilities.

(Cash flows from investing activities)

Net cash used in investing activities was ¥682,527 thousand for the nine months ended December 31, 2024 (compared to ¥127,516 thousand used in these activities for the nine months ended December 31, 2023).

Cash provided by investing activities consisted primarily of ¥285,251 thousand in proceeds from the sale of investment securities, which were offset mainly by ¥841,779 thousand for the purchase of shares of subsidiaries resulting in changes in the scope of consolidation (the Company acquired all shares of Takenaka Partners), ¥114,431 thousand for payments of leasehold and guarantee deposits, and ¥107,466 thousand for the purchase of property, plant, and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥529,936 thousand for the nine months ended December 31, 2024 (compared to ¥3,760,770 thousand used in these activities for the nine months ended December 31, 2023).

Cash provided by financing activities consisted primarily of a ¥1,000,000 thousand increase in short-term borrowings, which offset ¥1,544,902 thousand in dividends paid and other outflows.

(3) Explanation of consolidated earnings forecast and other forward-looking information

Operating profit of ¥3,440 million for the nine months ended December 31, 2024 represented 92.2% of the full-year projection. This strong performance was driven by the realization of all equity investment sales in the first quarter, which had been anticipated in the full-year forecast for the private equity investment business under the Investment business segment. Additionally, large success fees for the M&A advisory services business, also anticipated in the full-year forecast, were recorded during the first half of the fiscal year. As a result, the Company has maintained its full-year consolidated forecast. The Company will continue to focus on the following areas to drive growth across its various businesses.

■ Key points of focus by segment

Consulting business (segment)

Management consulting business

- Consistent consulting on management, IT, and human resources strategies for the sustainable growth of client companies
- Overseas growth strategy support for client companies' overseas expansion, covering everything from strategy formulation and verification based on research by local employees in each country to strategy execution, providing unified support from home and abroad
- Advanced support to enhance the core business profitability (P&L) of client companies, delivered by employees with management experience and extensive industry and technical knowledge

M&A advisory services business

- Financial advisory support requiring particularly high levels of expertise, including for the delisting of companies and investment projects by private equity funds
- Cross-border M&A support in collaboration with Takenaka Partners (Los Angeles) and Pinnacle, which became subsidiaries in spring 2024

Business succession consulting business

- Various support related to business succession of mid-sized companies and assets of owner-managers

Investment business (segment)

Private equity investment business

- Identification of new investment projects contributing to solving capital policy issues faced by client companies
- Support for sustainable growth of investees through the provision of consulting functions

Real estate investment business

- Identification of new investment projects related to land with leasehold rights and other properties with low cash conversion potential
- Reinforcement of the Company's framework for enhancing value and sales by coordinating rights and interests of purchased properties

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	9,869,688	8,678,144
Accounts receivable - trade	1,287,133	1,246,622
Securities	32,191	38,967
Operational investment securities	2,991,189	6,125,796
Merchandise and finished goods	790,903	1,221,564
Deposits paid	1,238,933	–
Other	1,757,225	904,343
Allowance for doubtful accounts	(21,237)	(24,832)
Total current assets	17,946,027	18,190,605
Non-current assets		
Property, plant and equipment	549,186	546,989
Intangible assets		
Goodwill	52,024	715,420
Other	59,645	35,658
Total intangible assets	111,669	751,078
Investments and other assets		
Investment securities	853,554	621,542
Leasehold and guarantee deposits	628,437	738,540
Deferred tax assets	394,854	176,655
Other	274,338	259,072
Total investments and other assets	2,151,184	1,795,810
Total non-current assets	2,812,040	3,093,878
Total assets	20,758,068	21,284,483
Liabilities		
Current liabilities		
Notes and accounts payable - trade	363,639	266,883
Short-term borrowings	–	1,000,000
Income taxes payable	757,298	293,647
Provision for bonuses	152,025	297,829
Other	2,316,959	1,215,008
Total current liabilities	3,589,922	3,073,368
Non-current liabilities		
Deferred tax liabilities	31,312	31,706
Other	77,566	80,796
Total non-current liabilities	108,878	112,503
Total liabilities	3,698,801	3,185,871
Net assets		
Shareholders' equity		
Share capital	1,599,538	1,599,538
Capital surplus	1,543,438	1,578,392
Retained earnings	13,640,779	14,362,298
Treasury shares	(488,580)	(472,035)
Total shareholders' equity	16,295,175	17,068,193
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,676	28,452
Foreign currency translation adjustment	297,447	448,958
Total accumulated other comprehensive income	334,124	477,411
Share acquisition rights	11,026	7,644
Non-controlling interests	418,940	545,362
Total net assets	17,059,267	18,098,612
Total liabilities and net assets	20,758,068	21,284,483

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, 2023	Nine months ended December 31, 2024
Net sales	16,991,822	17,060,790
Cost of sales	5,268,713	2,659,889
Gross profit	11,723,109	14,400,901
Selling, general and administrative expenses	8,919,725	10,960,098
Operating profit	2,803,383	3,440,802
Non-operating income		
Interest income	31,720	27,143
Foreign exchange gains	6,637	–
Gain on sale of investment securities	–	14,778
Gain on reversal of share acquisition rights	12,220	1,605
Other	5,312	13,505
Total non-operating income	55,891	57,033
Non-operating expenses		
Interest expenses	3,990	9,341
Loss on investments in investment partnerships	4,725	5,398
Foreign exchange losses	–	6,115
Commission expenses	16,335	16,335
Other	6,733	29,845
Total non-operating expenses	31,784	67,036
Ordinary profit	2,827,490	3,430,799
Profit before income taxes	2,827,490	3,430,799
Income taxes - current	470,790	851,706
Income taxes - deferred	191,423	202,647
Total income taxes	662,213	1,054,353
Profit	2,165,277	2,376,445
Profit attributable to non-controlling interests	20,294	110,024
Profit attributable to owners of parent	2,144,982	2,266,420

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	2,165,277	2,376,445
Other comprehensive income		
Valuation difference on available-for-sale securities	11,076	(8,223)
Foreign currency translation adjustment	85,870	167,520
Total other comprehensive income	96,946	159,297
Comprehensive income	2,262,223	2,535,742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,235,481	2,409,708
Comprehensive income attributable to non-controlling interests	26,741	126,034

Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,827,490	3,430,799
Depreciation	119,506	133,985
Amortization of goodwill	85	85,328
Increase (decrease) in provision for bonuses	83,540	145,803
Interest and dividend income	(31,720)	(27,143)
Interest expenses	3,990	9,341
Foreign exchange losses (gains)	(6,637)	6,115
Loss (gain) on investments in investment partnerships	4,725	5,398
Decrease (increase) in operational investment securities	3,176,281	(3,134,607)
Decrease (increase) in trade receivables	(289,497)	65,339
Increase (decrease) in allowance for doubtful accounts	(33,572)	3,595
Decrease (increase) in inventories	(399,885)	(430,661)
Increase (decrease) in trade payables	907	(102,025)
Decrease (increase) in other assets	(1,948,744)	2,437,826
Increase (decrease) in other liabilities	(609,106)	(994,767)
Subtotal	2,897,363	1,634,329
Interest and dividends received	39,114	34,913
Interest paid	(3,901)	(7,669)
Income taxes paid	(1,018,794)	(1,834,786)
Net cash provided by (used in) operating activities	1,913,781	(173,213)
Cash flows from investing activities		
Purchase of property, plant and equipment	(128,905)	(107,466)
Proceeds from sale of property, plant and equipment	–	109,071
Purchase of intangible assets	(12,790)	(451)
Purchase of investment securities	(7,997)	(10,680)
Proceeds from sale of investment securities	–	285,251
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Purchase of shares of subsidiaries resulting in change in scope	–	(841,779)
Payments of leasehold and guarantee deposits	(320)	(114,431)
Proceeds from refund of leasehold and guarantee deposits	92	108
Other, net	16,817	(2,150)
Net cash provided by (used in) investing activities	(127,516)	(682,527)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(2,501,000)	1,000,000
Proceeds from received an investment to non-controlling	3,633	15,131
the amount of payment of the dividend to non-controlling	(38,351)	(14,743)
Proceeds from disposal of treasury shares	32,599	14,582
Dividends paid	(1,257,156)	(1,544,902)
Other, net	(495)	(4)
Net cash provided by (used in) financing activities	(3,760,770)	(529,936)
Effect of exchange rate change on cash and cash equivalents	76,944	198,045
Net increase (decrease) in cash and cash equivalents	(1,897,561)	(1,187,632)
Cash and cash equivalents at beginning of period	9,151,196	9,687,844
Increase (decrease) in cash and cash equivalents resulting from	34,507	–
Cash and cash equivalents at end of period	7,288,143	8,500,212