

For the Six Months Ended September 30, 2024

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Annual Select<sup>®</sup> 2025

1st  
half

# TANABE CONSULTING GROUP CO.,LTD.

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We love companies  
Walk together with companies  
And work for company prosperity.

Based on first-class trust  
We contribute broadly to society.

Guided by an international perspective  
We embrace unlimited changes.

As a ceaseless pioneer  
We clear a path to the world.

## Corporate Profile

TANABE CONSULTING GROUP CO.,LTD. (TCG; the “Company”) is a management consulting firm that was founded in 1957 and has a total of approximately 800 employees. While valuing the Management Philosophy (Aspiration) of “We love companies, walk together with companies and work for company prosperity” set forth by our founder, we formulated our Purpose (Contribution Value) of “Supporting the decisions with love and changing the world,” aiming to lead our client companies to success. As a pioneer in management consulting in Japan, we assist the top management (executives) of companies ranging from large enterprises (sales of typically ¥100-300 billion) to small and medium-sized companies (sales of typically ¥3-5 billion), focusing mainly on upper mid-sized enterprises (sales of typically ¥10-30 billion), in resolving the management issues they are facing. By always analyzing the management issues of each company from various perspectives using the viewpoint of CEO, forming teams comprised of multiple consultants with high expertise according to the particular management issues, and offering integrated support from strategy formulation to on-site implementation and operation of management systems, the Company will create “first call companies

that will still be one's first choice 100 years from now" and contribute to a sustainable society and the prosperity of a social economy.

## I. Summary of Selected Financial Data (Consolidated)

	First half of 62 <sup>nd</sup> term Six months ended September 30, 2023	First half of 63 <sup>rd</sup> term Six months ended September 30, 2024	62 <sup>nd</sup> term Fiscal year ended March 31, 2024
Net sales (Thousands of yen)	6,000,143	6,664,191	12,739,254
Ordinary profit (Thousands of yen)	585,280	864,621	1,012,996
Profit attributable to owners of parent (Thousands of yen)	349,983	507,133	641,026
Comprehensive income (Thousands of yen)	406,732	542,220	835,721
Net assets (Thousands of yen)	11,229,819	11,127,303	11,304,318
Total assets (Thousands of yen)	14,043,658	14,472,386	14,139,231
Basic earnings per share (Yen)	20.70	30.59	38.14
Diluted earnings per share (Yen)	20.67	30.55	38.09
Equity ratio (%)	77.0	73.8	77.1
Net cash provided by (used in) operating activities (Thousands of yen)	378,775	682,056	632,233
Net cash provided by (used in) investing activities (Thousands of yen)	(304,491)	1,700,491	(439,123)
Net cash provided by (used in) financing activities (Thousands of yen)	(969,885)	(782,239)	(1,228,085)
Cash and cash equivalents at end of period (Thousands of yen)	5,778,280	7,239,214	5,638,906

Note: The summary of selected non-consolidated financial data is not described as the Company prepares consolidated financial statements.

## II. Top Message



Takahiko Wakamatsu  
President and Chief Executive Officer

For the operating results for the first half of the current fiscal year (April 1, 2024 to September 30, 2024), which is the fourth year of the “TCG Future Vision 2030” medium-term management plan for 2021-2025, the Company reported record highs in both net sales and profit with net sales of ¥6,664 million (up 11.1% year on year), operating profit of ¥796 million (up 36.5% year on year), ordinary profit of ¥864 million (up 47.7% year on year), and profit attributable to owners of parent of ¥507 million (up 44.9% year on year). Revenue increased in all management consulting fields, such as strategy & domain, digital/DX, HR, finance/M&A, and brand & PR.

Regarding shareholder returns, after carefully considering our profit levels and financial position for the fiscal year ending March 31, 2025, we have revised the forecast for the interim dividend to ¥20 per share, up ¥1 from the previous forecast. For the annual dividend, which includes the forecast of ¥27 for the year-end dividend, we plan to pay ¥47. In addition, the Company acquired treasury shares of approximately ¥300 million during the first half of the current fiscal year. To further enhance our corporate value, we will continue to make aggressive investments in growth M&A to achieve higher growth and profitability. At the same time, we will provide stable and proactive shareholder returns to meet the expectations of its shareholders.

In addition, we welcomed Surpass Co.,Ltd. as a new Group company on August 30, 2024. Under the mission of “Becoming a bridge between women and society, continually creating a future for all people,” Surpass aims to realize “A day when the term ‘women’s empowerment’ is no longer needed in Japanese society.” With over 100 professional female employees playing a central role, this company’s strengths are mainly in organizational and talent development consulting, customer creation support, which boasts a repeat rate of approximately 90% for large enterprises, and disseminating information based on comprehensive research on promoting women’s empowerment. As a result, the Group has become a management consulting firm comprised of seven companies with a total of approximately 800 employees. Together with our Group companies of TANABE CONSULTING CO.,LTD., Leading Solutions Co.,Ltd., Growin’ Partners Inc., JAYTHREE, Inc.,

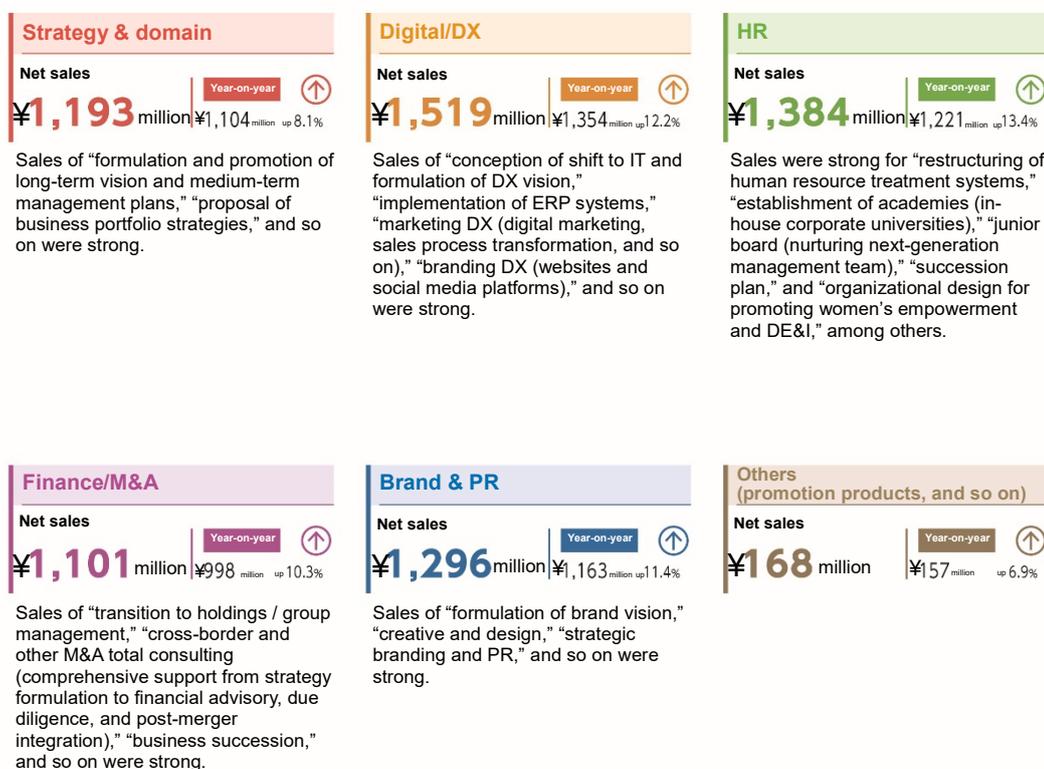
Kartz Media Works, Inc. and Surpass Co., Ltd., we will further enhance Group synergy and continue to strengthen and expand our specialized field of team consulting. Furthermore, we will continue to develop new management consulting models for solving the management issues and social issues of large enterprises to small and medium-sized companies, mainly upper mid-sized enterprises, which are our main clients, and contribute widely to the realization of a sustainable society.

For the fiscal year ending March 31, 2025, we revised the initially planned figures of the medium-term management plan upward and will aim for overall Group net sales of ¥14,000 million, operating profit of ¥1,485 million, ordinary profit of ¥1,500 million, and profit attributable to owners of parent of ¥800 million, which would be record highs in both net sales and profit.

# III. Business Description



## Business performance of each management consulting field



Note: Surpass Co.,Ltd. is included in the scope of consolidation because the Company acquired 62.4% of the shares of the said company during the six months ended September 30, 2024. Since August 31, 2024 was the deemed acquisition date, the period of consolidation for the said company during the six months ended September 30, 2024 was one month from September 1, 2024 to September 30, 2024.

## Results and direction of shareholder returns

Based on our shareholder return policy, we will proactively return profits to shareholders with an interim dividend of ¥20 (up ¥1 from the previous forecast) and a year-end dividend of ¥27 for an annual dividend of ¥47 (up ¥3 year on year), which is the dividend forecast for the fiscal year ending March 31, 2025. In addition, our primary management objective is to generate stable profits while maintaining a solid financial foundation to prepare for strategic investments and sudden changes in the operating environment, and to achieve our March 2026 target of “10% return on equity (ROE)” as soon as possible.

### Shareholder return policy (until fiscal year ending March 31, 2026)

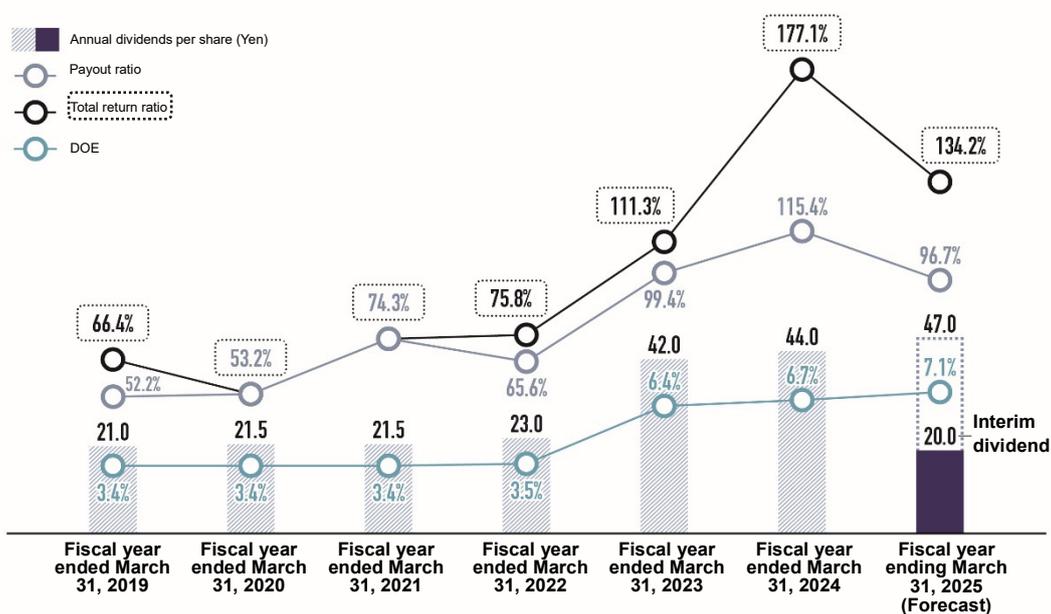
Consolidated total return ratio

**100%** rough figure

Dividend on equity (DOE)

**6%** or more

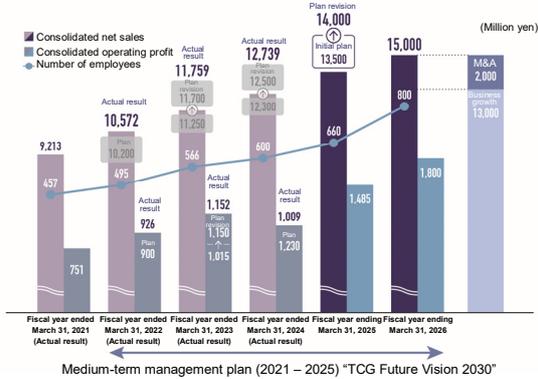
Acquire treasury shares  
in a flexible manner



Note: The Company conducted a two-for-one share split on October 1, 2021. Annual dividends per share have been retroactively adjusted for share splits.

# IV. Medium-term Business Strategy

- Numerical target**
- The consolidated earnings forecasts for the second quarter (1H) and the full year of the fiscal year ending March 31, 2025 were revised upward.
  - For the consolidated net sales plan of ¥15.0 billion, based on the actual results for the fiscal year ending March 31, 2021, the Company plans to achieve net sales of ¥13.0 billion through growth in existing businesses and an additional ¥2.0 billion in net sales through the promotion of an M&A strategy that utilizes cash on hand and deposits of ¥1.0 billion or more.
  - There were 742 employees as of September 30, 2024, and the Group has achieved the target of 660 employees for the fiscal year ending March 31, 2025 at this time. We will continue to work toward achieving the target of 800 employees in the fiscal year ending March 31, 2026 and strengthen our human capital across the Group.



### TCG five growth models

**One & Only**  
In order to realize the creation of TCG as a new management consulting group, one and only in the world

## Growth Model



In addition to the strategy formulation support functions that constitute the upstream consulting that we have made one of our strengths, we will strengthen the on-site management implementation and operation support functions that constitute the midstream to downstream, supporting our clients as "Professional DX Services" making full use of digital technologies, building a management consulting model that enables the integrated support of corporate management.

In order to further promote our C&C Strategy (Consulting & Compromise: identifying consulting fields), beginning with the formation of teams with specialized know-how to address new management needs and issues, we will promote business development measures such as commercializing products, shifting to a consulting division structure, further segmenting the consulting domain, and introducing operating companies through means that include M&A as appropriate.

By utilizing digital marketing and customer information held throughout the country, we aim to create new customers, expand dealings with our client companies over the long term, and further increase customer lifetime value (LTV).

Working together with the C&C Development Model, we will generate new leadership from existing organizations and learn and build a management system to nurture new partner (leader) personnel.

At TCG, a company made from its people, personal growth is most important, and we will build a model whereby we can nurture greater numbers of professional personnel who are able to contribute to client companies at an earlier stage.

## V. TCG in Numbers



# WHAT'S TCG in Numbers TANABE CONSULTING GROUP

Japanese pioneer  
in management consulting

Now in our  
**67**<sup>th</sup> year

Total number of  
companies receiving  
consulting services

**17,000** or more

Total employees of TCG  
(As of October 1, 2024)

**816**

Number of companies  
receiving management  
consulting services

**10,000** or more

Number of financial  
institutions and other  
such companies in the network

**360** or more

Number of companies  
receiving marketing support

**3,600** or more

Major cities of operations  
in Japan  
(including the Group companies)

**10** areas

Number of companies receiving  
PR/publicity support

**2,000** or more

Number of  
Management Letter members

**150** thousand  
or more

Number of M&A success cases  
(including cross-border)

**700** or more

Number of people attending  
Tanabe seminars  
for one year

**9,900** or more

Number of companies  
receiving creative support

**550** or more

Number of companies receiving  
B-to-B digital marketing support

**300** or more

# Location information

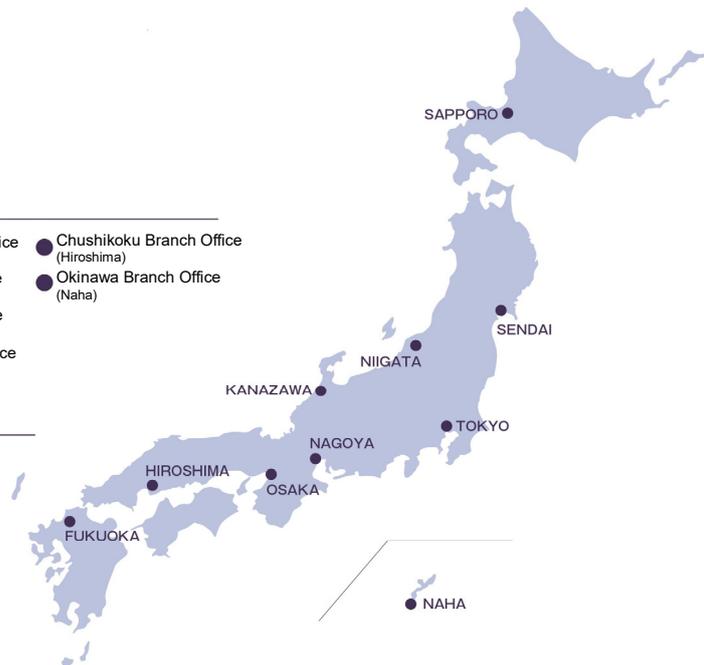
## Locations in Japan

TANABE CONSULTING CO.,LTD.

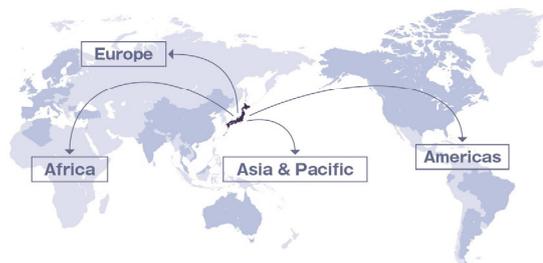
- |                                |                                     |  |
|--------------------------------|-------------------------------------|--|
| ● Osaka Headquarters           | ● Hokkaido Branch Office (Sapporo)  | ● Chushikoku Branch Office (Hiroshima) |
| ● Tokyo Headquarters           | ● Tohoku Branch Office (Sendai)     | ● Okinawa Branch Office (Naha)         |
| ● Chubu Head Office (Nagoya)   | ● Niigata Branch Office (Niigata)   |  |
| ● Kyushu Head Office (Fukuoka) | ● Hokuriku Branch Office (Kanazawa) |  |

### Group companies

- Leading Solutions Co.,Ltd. (Tokyo)
- Growin' Partners Inc. (Tokyo)
- JAYTHREE, Inc. (Tokyo)
- Kartz Media Works,Inc. (Tokyo)
- Surpass Co.,Ltd. (Tokyo)



## Main overseas location network



### Europe

- Belgium
- Bulgaria
- Croatia
- Denmark
- Finland
- France
- Germany
- Hungary
- Ireland
- Israel
- Italy
- Lithuania
- Netherlands
- Norway
- Poland
- Portugal
- Spain
- Sweden
- Türkiye
- UK

### Asia & Pacific

- Australia
- China
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- Singapore
- Thailand
- Vietnam

### Americas

- Argentina
- Brazil
- Canada
- Ecuador
- USA

### Africa

- Algeria
- Tunisia

The information regarding offices is current as of October 1, 2024.

## VI. Financial Statements

### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,538,954	7,239,214
Notes and accounts receivable - trade, and contract assets	1,024,633	1,230,414
Securities	2,299,531	199,500
Merchandise	33,337	57,879
Raw materials	2,250	6,211
Other	450,516	438,371
Allowance for doubtful accounts	(1,544)	(1,058)
Total current assets	9,347,679	9,170,531
Non-current assets		
Property, plant and equipment		
Land	1,527,477	1,527,477
Other, net	692,867	666,601
Total property, plant and equipment	2,220,344	2,194,078
Intangible assets		
Goodwill	666,167	1,066,897
Other	121,881	173,347
Total intangible assets	788,049	1,240,245
Investments and other assets		
Long-term time deposits	212,803	213,403
Other	1,568,725	1,652,767
Total investments and other assets	1,781,529	1,866,171
Total non-current assets	4,789,923	5,300,494
Deferred assets	1,628	1,359
Total assets	14,139,231	14,472,386
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	321,299	490,127
Income taxes payable	191,749	360,462
Provision for bonuses	96,135	115,754
Other	1,600,015	1,668,750
Total current liabilities	2,209,199	2,635,094
Non-current liabilities		
Long-term borrowings	210,564	305,579
Provision for retirement benefits for directors (and other officers)	124,737	124,737
Other	290,412	279,671
Total non-current liabilities	625,713	709,988
Total liabilities	2,834,913	3,345,082

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,772,000	1,772,000
Capital surplus	2,410,871	2,411,097
Retained earnings	7,232,485	7,305,664
Treasury shares	(654,005)	(947,662)
Total shareholders' equity	10,761,351	10,541,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,249	3,220
Remeasurements of defined benefit plans	139,239	134,748
Total accumulated other comprehensive income	142,488	137,969
Share acquisition rights	11,049	10,103
Non-controlling interests	389,428	438,130
Total net assets	11,304,318	11,127,303
Total liabilities and net assets	14,139,231	14,472,386

## (2) Consolidated Statement of Income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	6,000,143	6,664,191
Cost of sales	3,233,605	3,480,991
Gross profit	2,766,537	3,183,199
Selling, general and administrative expenses	2,183,251	2,386,767
Operating profit	583,285	796,432
Non-operating income		
Interest income	1,652	2,849
Dividend income	123	0
Gain on sale of investment securities	–	61,068
Dividend income of life insurance	1,733	356
Other	1,868	8,842
Total non-operating income	5,378	73,116
Non-operating expenses		
Interest expenses	629	2,366
Amortization of organization expenses	268	268
Loss on investments in investment partnerships	2,438	2,225
Other	46	67
Total non-operating expenses	3,383	4,927
Ordinary profit	585,280	864,621
Extraordinary income		
Gain on sale of investment securities	2,964	–
Reversal of allowance for doubtful accounts	19,000	–
Reversal of provision for loss on guarantees	12,028	–
Gain on reversal of share acquisition rights	259	187
Total extraordinary income	34,252	187
Extraordinary losses		
Loss on sale and retirement of non-current assets	6,608	2,661
Total extraordinary losses	6,608	2,661
Profit before income taxes	612,924	862,147
Income taxes	207,811	315,434
Profit	405,113	546,713
Profit attributable to non-controlling interests	55,129	39,579
Profit attributable to owners of parent	349,983	507,133

### (3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	405,113	546,713
Other comprehensive income		
Valuation difference on available-for-sale securities	879	(1)
Remeasurements of defined benefit plans, net of tax	739	(4,490)
Total other comprehensive income	1,619	(4,492)
Comprehensive income	406,732	542,220
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	352,719	502,613
Comprehensive income attributable to non-controlling interests	54,013	39,606

#### (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	612,924	862,147
Depreciation	53,666	58,082
Amortization of goodwill	34,684	38,343
Loss (gain) on sale and retirement of non-current assets	6,608	2,661
Loss (gain) on sale of investment securities	(2,964)	(61,068)
Increase (decrease) in provision for bonuses	(34,215)	(415)
Increase (decrease) in allowance for doubtful accounts	(19,091)	(485)
Decrease (increase) in retirement benefit asset	(39,704)	(50,280)
Increase (decrease) in provision for loss on guarantees	(12,028)	–
Interest and dividend income	(1,775)	(2,849)
Interest expenses	629	2,366
Loss (gain) on investments in investment partnerships	2,438	2,225
Decrease (increase) in trade receivables	(198,672)	(120,608)
Decrease (increase) in inventories	(65,878)	(86,207)
Increase (decrease) in trade payables	112,694	159,204
Increase (decrease) in advances received	214,149	244,933
Other, net	(52,434)	(245,220)
Subtotal	611,030	802,829
Interest and dividends received	1,895	3,009
Interest paid	(560)	(2,292)
Income taxes refund (paid)	(233,590)	(121,489)
Net cash provided by (used in) operating activities	378,775	682,056
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,800)	(1,800)
Proceeds from withdrawal of time deposits	1,200	1,200
Purchase of securities	(3,899,848)	(800,000)
Proceeds from sale and redemption of securities	3,700,000	2,800,000
Proceeds from sale and redemption of investment securities	3,289	61,088
Payments for investments in capital	(15,000)	(15,000)
Purchase of property, plant and equipment and intangible assets	(117,771)	(65,156)
Payments of guarantee deposits	(2,173)	(3,636)
Proceeds from refund of guarantee deposits	29,392	3,529
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(277,952)
Other, net	(1,780)	(1,780)
Net cash provided by (used in) investing activities	(304,491)	1,700,491
<b>Cash flows from financing activities</b>		
Proceeds from sale of treasury shares resulting from exercise of share acquisition rights	14,301	4,823
Purchase of treasury shares	(339,028)	(300,012)
Decrease (increase) in segregated deposits for purchase of treasury shares	(61,591)	–
Dividends paid	(561,094)	(430,861)
Other, net	(22,472)	(56,189)
Net cash provided by (used in) financing activities	(969,885)	(782,239)
Net increase (decrease) in cash and cash equivalents	(895,601)	1,600,307
Cash and cash equivalents at beginning of period	6,673,882	5,638,906
Cash and cash equivalents at end of the interim period	5,778,280	7,239,214

## VII. Corporate Data

### Basic Information (as of October 1, 2024)

Trade name:	TANABE CONSULTING GROUP CO.,LTD.
Founded:	October 16, 1957
Established:	April 1, 1963
Listed market:	The Prime Market of Tokyo Stock Exchange (Securities Code: 9644)
Listed:	September 28, 2016
Business year:	From April 1 to March 31
Share capital:	1,772 million yen
Number of employees:	743 persons (consolidated)
Group companies:	TANABE CONSULTING CO.,LTD. Leading Solutions Co.,Ltd. Growin' Partners Inc. JAYTHREE, Inc. Kartz Media Works,Inc. Surpass Co.,Ltd.
Osaka Headquarters:	3-3-41 Miyahara, Yodogawa-ku, Osaka
Tokyo Headquarters:	Tekko Building 9th Floor, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo
Telephone:	+81-6-7177-4000

### Directors (as of October 1, 2024)

President and Chief Executive Officer	Takahiko Wakamatsu
Executive Vice President	Yoshikuni Nagao
Senior Managing Director	Norihito Minamikawa
Senior Managing Director	Masaru Warata
Senior Managing Director	Itaru Okumura
Managing Director	Masahiro Matsunaga
Director* (Audit and Supervisory Committee Member)	Ryo Ichida
Director* (Audit and Supervisory Committee Member)	Hiroshi Kanbara
Director* (Audit and Supervisory Committee Member)	Maki Imura

\* Outside Director

**Stock Status** (as of September 30, 2024)

Total number of shares authorized:	70,000,000 shares
Total number of shares issued:	17,508,400 shares
Number of shareholders:	7,355

## Major shareholders (Top 12) (as of September 30, 2024)

Shareholder name	Number of shares held (Thousands of shares)	Share-holding ratio (%)
Jiro Tanabe	1,895	11.5
Yoichiro Tanabe	1,581	9.6
Toki Narazaki	1,547	9.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	995	6.0
HIKARI TSUSHIN, INC.	839	5.1
Shinichi Ueda	500	3.0
Tanabe Consulting Group Employee Share Ownership Scheme	461	2.8
SMBC Trust Bank Ltd. Designated Securities Trust	404	2.5
Hitoshi Kimoto	320	1.9
Emi Tanabe	235	1.4
Soichiro Tanabe	235	1.4
Noriko Harada	235	1.4

Note: Share-holding ratio is calculated after reduction of the number of treasury shares (1,048,208 shares).

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