

Summary of Non-consolidated Financial Results for the Year Ended March 31, 2013 (J-GAAP)

May 15, 2013

Listed Company Name: IR Japan, Inc.
 Securities Code: 6051
 Listing: Osaka Securities Exchange URL: <http://www.irjapan.net/>
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 Scheduled Annual General Meeting of Shareholders: June 25, 2013
 Scheduled Date to Start Dividend Payment: June 26, 2013
 Scheduled Date to Submit Securities Report: June 26, 2013
 Preparation of Results Briefing Materials: Yes
 Holding of Financial Results Briefing: Yes (for institutional investors and analysts)

(Amounts less than one million yen have been truncated)

1. Financial Results (from April 1, 2012 to March 31, 2013)

(1) Operating results

(Millions of yen unless otherwise stated except for % figures, which show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Year ended March 31, 2013	3,058	13.0	612	26.4	608	24.6	320	49.2
Year ended March 31, 2012	2,707	8.3	484	16.8	487	16.6	215	25.0

	Net income per share—basic	Net income per share—diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2013	190.19	—	23.3	31.4	20.0
Year ended March 31, 2012	127.49	—	18.0	27.5	17.9

(Reference) Equity in earnings (loss) of affiliates Year ended March 31, 2013: — million yen Year ended March 31, 2012: — million yen

(2) Financial position

(Millions of yen unless otherwise stated)

	Total assets	Net assets	Equity ratio	Net assets per share
			%	Yen
As of March 31, 2013	2,069	1,481	71.6	878.28
As of March 31, 2012	1,806	1,274	70.6	755.43

(Reference) Shareholders' equity Year ended March 31, 2013: 1,481 million yen Year ended March 31, 2012: 1,274 million yen

(3) Cash flows

(Millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of period
Year ended March 31, 2013	468	(441)	(129)	307
Year ended March 31, 2012	303	(298)	(217)	413

2. Dividends

	Annual dividends					Total dividend amount (Annual)	Dividend payout ratio	Dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2012	—	0.00	—	45.00	45.00	75	35.3	6.4
Year ended March 31, 2013	—	22.50	—	47.50	70.00	118	36.8	8.6
Year ending March 31, 2014 (Forecast)	—	40.00	—	50.00	90.00		38.9	

3. Results Forecast for the Fiscal Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,360	9.9	813	32.7	742	22.0	423	31.8	231.63

Notes

(1) Change in accounting policies or estimates and retrospective restatements

- 1) Change in accounting policies in accordance with revision of accounting standards: Yes
- 2) Change in accounting policies other than item 1) above: None
- 3) Changes in accounting estimates: Yes
- 4) Retrospective restatements: None

Note: Depreciation method has been changed from the fiscal year ended March 31, 2013, which falls under the case where changes in accounting policies are difficult to distinguish from changes in accounting estimates. For details, please refer to “(5) Notes Relating to Financial Statements (Significant Accounting Policies)” under “4. Financial Statements” on page 16 of the attachment.

(2) Number of shares issued (common stock)

- 1) Number of shares issued as of the period-end (including treasury stock)

As of March 31, 2013	1,687,100 shares
As of March 31, 2012	1,687,100 shares
- 2) Number of shares of treasury stock at fiscal year-end

As of March 31, 2013	71 shares
As of March 31, 2012	71 shares
- 3) Average number of shares during the fiscal year

Year ended March 31, 2013	1,687,029 shares
Year ended March 31, 2012	1,687,055 shares

Implementation status for auditing procedures

The auditing procedure based on the Financial Instruments and Exchange Act does not apply to this Financial Results, and the auditing procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this document.

Explanation regarding appropriate use of results forecast and other special notes

The forward-looking statements, including results forecast, contained in this document are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this document. Actual business results may differ substantially due to a number of factors. For conditions prerequisite to the results forecast and the points to be noted in the use thereof, please refer to “(1) Analysis of Operating Results, Forecast for fiscal 2013” under “1. Analysis of Operating Results and Financial Position” on page 3 of the attachment.

Contents of the Attachment

1. Analysis of Operating Results and Financial Position	2
(1) Analysis of Operating Results	2
(2) Analysis of Financial Position	4
(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2013 and the Following Fiscal Year	5
2. Corporate Group	6
3. Management Policies	7
(1) Basic Management Policies	7
(2) Targeted Management Indicators.....	7
(3) The Company’s Mid- to Long-term Management Strategy and Issues to be Addressed.....	7
4. Financial Statements.....	9
(1) Balance Sheets	9
(2) Statements of Income	11
(3) Statements of Changes in Net Assets.....	12
(4) Statements of Cash Flows.....	14
(5) Notes Relating to the Financial Statements	16
(Notes Relating to the “Going Concern” Assumption)	16
(Significant Accounting Policies).....	16
(Balance Sheets)	17
(Statements of Income).....	17
(Statements of Changes in Net Assets).....	18
(Statements of Cash Flows).....	19
(Equity in Earnings (Losses) of Affiliates and Others).....	19
(Segment Information and Others)	19
(Earnings per Share).....	19
(Significant Subsequent Event)	20

* The Company will hold a briefing for investors as follows. The materials distributed at the briefing will be posted on its website promptly after the briefing is held.

Financial results briefing for institutional investors and analysts: Thursday, May 16, 2013

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) General overview

During the fiscal year ended March 31, 2013, the Company achieved our highest net sales, operating income, ordinary income, and net income since its stock listing.

(Millions of yen)

	Current fiscal year (April 2012 to March 2013)			Previous fiscal year (April 2011 to March 2012)	
	Amount	Amount change	YoY change (%)	Amount	YoY change (%)
Net sales	3,058	350	13.0	2,707	8.3
Operating income	612	127	26.4	484	16.8
Ordinary income	608	120	24.6	487	16.6
Net income	320	105	49.2	215	25.0

In April 2012, IR Japan, Inc. (“the Company”) became the first new entrant into the stock transfer agency business in 40 years. The commencement of the stock transfer agency business enhanced the service lineup of its IR/SR services overall, leading to steady growth in its client base and a sharp rise in net sales for all services, focused on its core IR/SR consulting services.

Our listed company clients are keenly interested in shareholder trends, as they seek to prepare themselves for an outbreak of hostile takeovers by strategic buyers, the rising percentage of stock held by foreign investors who are actively purchasing Japanese stocks, the reemergence of activism among shareholders, and an increase in proposals from shareholders. In this environment, the SR (Shareholder Relations) needs of listed companies are expanding substantially while becoming more sophisticated and diverse. In order to meet these expanding needs, the Company has constructed a system that allows to provide appropriate and efficient services. This was accomplished by enhancing the quality of our consultants through intensive employee education and reinforcing our research department. Additionally, the Company is working as one on initiatives that include coordination with FAs (Financial Advisor: investment banks) and LAs (Legal Advisor: law firms), with the aim of taking advantage of every sales opportunity.

In the stock transfer agency business, with the success of price setting and the provision of new services taking advantage of the benefits of the paperless stock transfer system, entrustments for stock transfer agency services have been decided with seven listed companies during the one year period since the Company entered the market, and numerous other companies have said that they are looking favorably at entrusting stock transfer agency services with the Company. This has boosted our confidence in the importance of our market entry and competitiveness (as of May 14, 2013, entrustments with 12 companies have been decided for stock transfer agency services).

The Company is also engaged in the development of new businesses, such as advisory services related to rights offerings, the main method of raising capital in the European market, and information agent services*. In recent years, amid concerns about large-scale dilution due to allocation of shares to a third party or public offerings, there also have been signs of the spread of rights offerings within Japan, as related institutions including Japan’s Financial Services Agency, Financial Instruments Exchanges, and Japan Securities Depository Center, Inc., in addition to market participants, have been preparing for the introduction of rights offerings in the Japanese market. (As of May 14, 2013, rights offerings have been implemented by seven companies, including the Company.)

The Company will continue to enhance the content of its services in order to contribute to the diversification of the means of raising capital in the Japanese market, and to play a significant part in the development of capital markets in accordance with the Company’s philosophy.

* Information agent services are services generally available in the United States to provide information for shareholders. Operating through a call center, these services communicate information to shareholders related to TOB (takeover bids), rights offerings, and other matters.

2) Net sales by business service

The Company engages in “consulting business specializing in IR/SR activities,” which constitutes a single business segment. An overview of net sales by service type is as follows.

(Millions of yen)

Service	Current fiscal year (April 2012 to March 2013)			Previous fiscal year (April 2011 to March 2012)	
	Net sales	Component ratio (%)	YoY change (%)	Net sales	YoY change (%)
IR/SR Consulting	2,221	72.6	14.6	1,938	8.5
Disclosure Consulting	591	19.4	9.2	542	9.1
Databases and Others	244	8.0	7.9	226	4.5
Total	3,058	100.0	13.0	2,707	8.3

IR/SR Consulting

IR/SR Consulting is the Company’s core range of services, including shareholder identification surveys, proxy voting simulation, proxy advisory (comprehensive strategy planning for shareholders’ meetings), and the stock transfer agency business.

Disclosure Consulting

Disclosure Consulting consists of IR tool consulting services (support for the planning and creation of various disclosure documents required for IR activities, including annual reports and shareholders newsletters), and legal documentation services (the creation of various disclosure documents in English, translation of such documents from Japanese to English, etc. in connection with business reorganization or M&A.)

Databases and Others

Database and Others provides the Web-based IR support services via “IR-Pro,” a comprehensive support system for corporate IR activities that provides information on shareholdings revealed through reports of possession of large volume and publicly offered domestic and overseas investment trusts, and the “Analyst Network,” which allows listed companies to accept reservations for IR explanatory meetings and manage attendee information in a single step. We also operate the “Kabunushi-Hiroba,” a survey system for individual investors.

3) Forecast for fiscal 2013

Forecast of operating results for the year ending March 31, 2014 (as of April 12, 2013)

(Millions of yen)

	Forecast (as of April 12, 2013) Year ending March 31, 2014			Actual Year ended March 31, 2013	
	Amount	Amount change	YoY change (%)	Amount	YoY change (%)
Net sales	3,360	301	9.9	3,058	13.0
Operating income	813	200	32.7	612	26.4
Ordinary income	742	133	22.0	608	24.6
Net income	423	102	31.8	320	49.2
Net income per share—basic	231.63	—	21.8	190.19	49.2

As net sales from the stock transfer agency business, which commenced in April 2012, fluctuates largely depending on the number of shareholders of the client companies, the Company found it difficult to make reasonable predictions of its results in the fiscal year under review. The forecast for the fiscal year ending March 31, 2014 as announced above was based on reasonable grounds for calculation as of April 12, 2013; however, the same conditions will continue in the fiscal year ending March 31, 2014.

4) Seasonal Fluctuation

The Company’s quarterly net sales tend to be concentrated in the first and second quarters. This is due to

the nature of our core business, IR/SR consulting services, which is affected by the timing of companies' shareholders' meetings. Many Japanese companies close their books at the end of March, and many shareholders' meetings are held in June, therefore the Company's services tend to be concentrated in the period from May to July.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year under review increased ¥263 million from the end of the previous year to ¥2,069 million, due primarily to increases in cash and deposits of ¥244 million and in accounts receivable-trade of ¥15 million.

Liabilities at the end of the fiscal year under review increased ¥56 million from the end of the previous fiscal year to ¥587 million, due primarily to an increase in accounts payable-trade of ¥46 million.

Net assets at the end of the fiscal year under review increased ¥207 million from the end of the previous fiscal year to ¥1,481 million, due primarily to an increase in retained earnings of ¥206 million.

2) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review decreased ¥106 million from the end of the previous fiscal year to ¥307 million. Net cash provided by (used in) respective activities during the fiscal year under review are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities in the fiscal year under review was ¥468 million, which is attributable primarily to income before income taxes of ¥608 million, depreciation and amortization of ¥49 million, amortization of goodwill of ¥85 million, an increase in notes and accounts receivable-trade of ¥15 million and income taxes paid of ¥304 million.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities in the fiscal year under review was ¥441 million, which is attributable primarily to a net increase in time deposits of ¥350 million and purchase of intangible assets of ¥75 million.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities in the fiscal year under review was ¥129 million, which is attributable primarily to cash dividends paid of ¥113 million.

(Reference) Cash flow indicators

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013
Equity ratio (%)	63.5	70.6	71.6
Equity ratio based on market capitalization (%)	132.2	130.4	974.1
Cash flows/interest-bearing debt ratio (%)	57.8	7.6	1.5
Interest coverage ratio (times)	73.6	165.3	389.1

Equity ratio: shareholders' equity/total assets

Equity ratio based on market capitalization: market capitalization/total assets

Cash flows/Interest-bearing debt ratio: interest-bearing debt/cash flow from operating activities

Interest coverage ratio: cash flow from operating activities/interest payment

* Interest-bearing debt represents all debt that bears interest of the entire debt recorded in the Balance Sheets.

(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2013 and the Following Fiscal Year

The Company makes it a basic policy to distribute profits to its shareholders in line with its business results, while maintaining its financial strength by securing sufficient internal reserves to carry out sound business operations. The Company's Articles of Incorporation stipulate that a decision on the distribution of surplus and other matters as specified in each Item of Paragraph 1, Article 459, of the Companies Act can be made by a resolution of the Board of Directors, unless otherwise specified by laws and regulations, but a decision on year-end dividends is to be made by the General Meeting of Shareholders. The Company's Articles of Incorporation also stipulate that an interim dividend can be provided with the date of record being September 30 of each year.

For the fiscal year ended March 31, 2013, the Company continues to target the U.S. standard payout ratio of around 35% (according to "Trends of Japanese Companies' Shareholder Returns" by Nomura Securities Co., Ltd.), and thus is scheduled to pay ¥70 per share dividend (at a 36.8% payout ratio).

The Company would like to appropriate the internal reserves for strategic investments for the reinforcement of existing business and for future growth business areas to increase its corporate value.

For the fiscal year ending March 31, 2014, the Company is scheduled to pay ¥90 per share as an annual dividend. The amount comprises an ordinary dividend of ¥40 per share as an interim dividend, and an ordinary dividend of ¥50 per share as a year-end dividend.

Record date	Dividend per share		
	Interim	Year-end	Full-year
Dividend to be paid in fiscal year ending March 31, 2014	Ordinary dividend: ¥40.00	Ordinary dividend: ¥50.00	Ordinary dividend: ¥90.00
Dividend to be paid in current fiscal year ended March 2013	/	Ordinary dividend: ¥47.50	Ordinary dividend: ¥70.00
Dividend paid in current fiscal year ended March 2013	Ordinary dividend: ¥22.50	/	/
Dividend paid in previous fiscal year ended March 2012	Ordinary dividend: ¥—	Ordinary dividend: ¥45.00	Ordinary dividend: ¥45.00

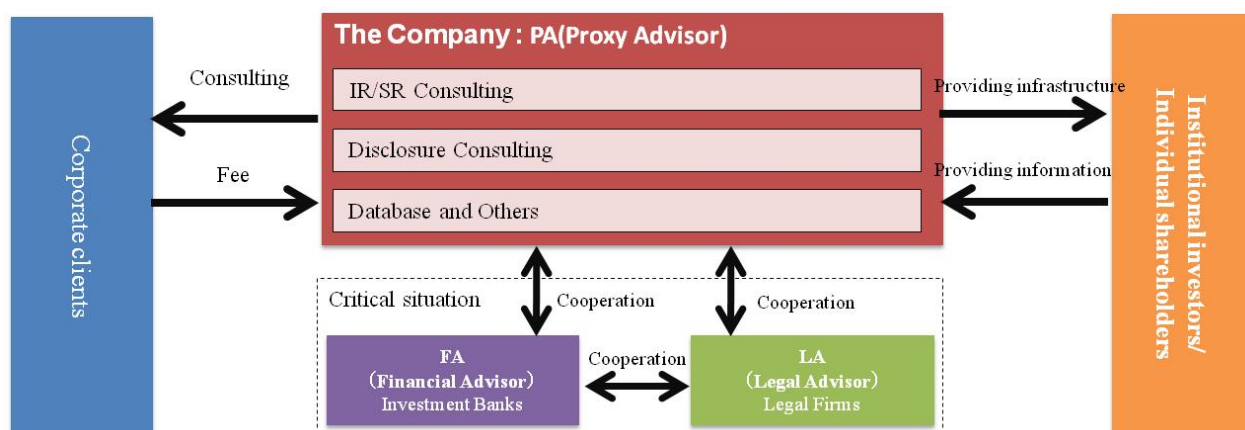
2. Corporate Group

The Company engages in the “consulting business specializing in IR/SR activities,” which constitutes a single business segment. The Company regards IR (Investor Relations) activities as the activities of listed companies to conduct relations with general investors, while SR (Shareholder Relations) activities as the activities of listed companies to strengthen relations with their shareholders.

The Company offers IR/SR Consulting, Disclosure Consulting, and Database and Others services as comprehensive support for the IR/SR activities of listed companies, etc.

In order to provide these services, the Company uses its network of institutional investors encompassing fund managers, analysts, and voting officers from 265 domestic companies and 4,491 companies overseas, as well as a network of 42,898 individual shareholders registered with the Company’s *Kabunushi-Hiroba* service (as of March 31, 2013) to collect daily information essential for providing consulting services in Japan and overseas. Furthermore, the Company not only collects information, but also plays an intermediary role that links listed companies to investors and shareholders by communicating the opinions or requests of institutional investors and individual shareholders to the listed companies.

Furthermore, the Company also offers assistance as a PA (Proxy Advisor) for critical situations such as M&As, in addition to support from an expert perspective of FAs (Financial Advisor: investment banks) or LAs (Legal Advisor: legal firms).



3. Management Policies

(1) Basic Management Policies

Under the company slogan of “Reliability, Confidence, Optimism,” the Company takes as its corporate philosophy “the enhancement of clients’ capital competitiveness and the growth of the global capital economy.” We dedicate ourselves to the mission of serving as the perfect bridge linking listed companies and investors (both institutions and individuals). Recognizing that fairness is of utmost importance in fulfilling that mission, the Company has preserved our independence ever since it was founded, as we do not belong to any particular financial grouping.

Furthermore, we have set the following management policies to guide our day-to-day activities in order to realize our corporate mission: “to be the first to recognize any difficulties that clients (listed companies, investors, and market players) are experiencing with their IR/SR activities, and to propose and carry out concrete action plans,” and “to be constantly on the lookout for potential problems ourselves, maintaining a steadfast commitment to take concrete action so that improvements are never overlooked, with the assumption that maintaining the status quo means an immediate downfall.”

(2) Targeted Management Indicators

The Company considers the expansion of market share and increase in ordinary income as important management indicators.

(3) The Company’s Mid- to Long-term Management Strategy and Issues to Be Addressed

The Company will continue its concerted efforts to achieve the long-term goal of “being an advanced provider of comprehensive solutions in the capital markets,” under the corporate philosophy of “enhancing clients’ capital competitiveness and the growth of the global capital economy.” With regard to future business development, the revision of related laws and regulations and growing awareness of IR/SR activities among listed companies are expected to increase the social demand for the services provided by the Company. To accommodate such demand, the Company is continuing its efforts to build a solid business foundation with particular focus on the following five issues.

1) Raising awareness of SR services

The needs of publicly listed companies – clients of the Company – for SR services are growing significantly while also becoming increasingly sophisticated and diversified. The era of relying only on cross-shareholders is nearing an end. For listed companies, it is increasingly difficult to maintain stable corporate management without successfully relating with foreign, domestic institutional, and individual shareholders. The substantial holders of voting rights of foreign and domestic institutional shareholders are less identifiable, and the tactics for dealing with individual shareholders varies widely from company to company. The benefit of using the Company’s SR-related surveys, consultation, and other services provided on behalf of client companies is certainly attracting attention as a means of addressing these issues. However, the companies relying on such SR services still account for only 20% of all Japanese companies. (according to “Data from a Survey on the Current Status of General Shareholders’ Meetings” prepared by the National Association of Kabukon). The Company will continue to bolster its proposal-based marketing efforts carried out by consultants, to achieve greater awareness of its SR consulting services.

2) Enhancing the introduction and updating of takeover defense measures

Many institutional investors in Japan and overseas take a critical view of takeover defense measures, and it is becoming more challenging each year to introduce or update such measures. The Company, which takes as its mission; the enhancement of capital competitiveness of its clients (publicly listed companies, investors, and market players) and the development of the global capital market, will strive to strengthen support for the formulation of takeover defense measures acceptable to both the listed companies that are trying to introduce or update such measures, and the shareholders who are mainly institutional investors critical of such measures, in order to reduce as much as possible the differences of opinion between the two.

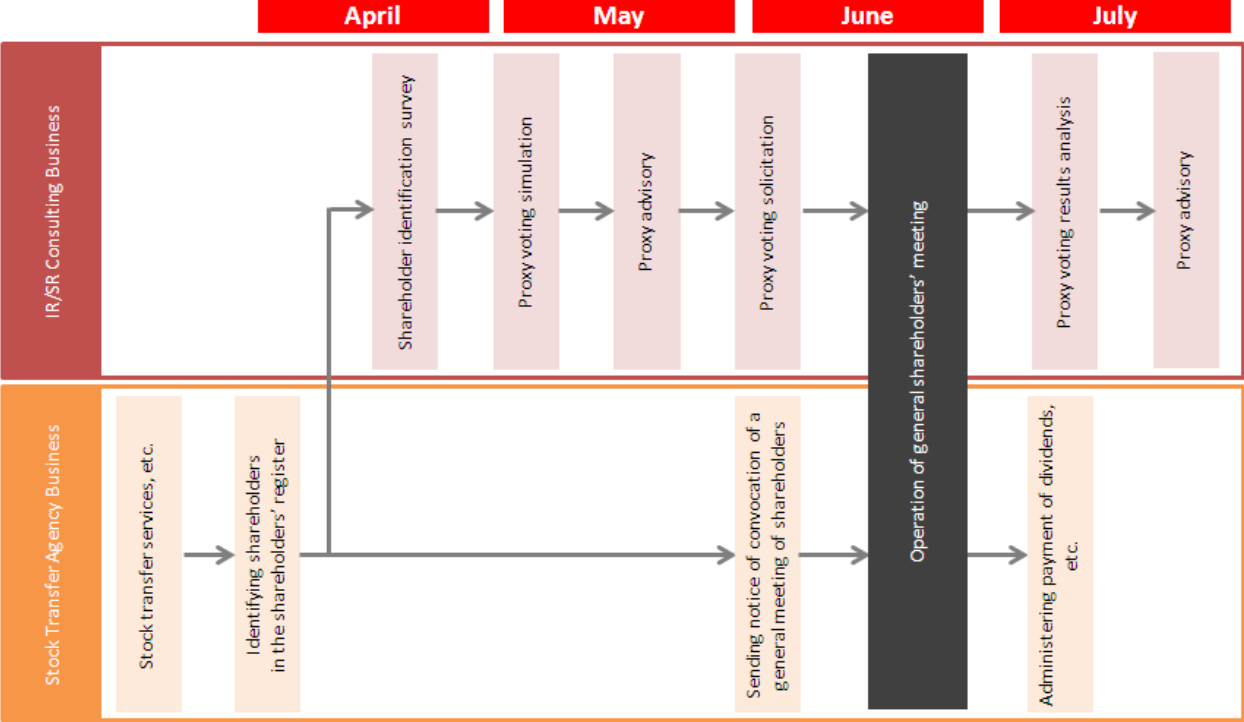
3) Enhancing and strengthening support for M&A

An increase is expected in industry reorganization-type M&As, including the outbreak of hostile takeovers by strategic buyers. The Company will further enhance its M&A support program based on its strength in shareholder identification. We will also work to deepen our relations with FAs and LAs, with each providing M&A support from an expert perspective, thereby increasing alliances and intermediation projects.

4) Expanding the stock transfer agency business

In April 2012, the Company commenced its stock transfer agency services for listed companies, acting as an administrator of the shareholders’ register. This service constitutes a starting entry point to other SR consulting services — a core business of the Company. In fact, the decision to start the stock transfer agency business came about as a result of growing demand among clients for services such as finalizing shareholders’ registers. Our approach to the stock transfer agency business is entirely different from that of conventional players and we will expand these services with careful attention to increasingly diversified client needs. In an attempt to increase the number of entrustments, we will intensify marketing activities aimed at companies with large numbers of shareholders and invest in expanding the system.

[Example of services offered to companies with the fiscal year-end in March]



5) Enhancing human resources

To expand future business, it is vital that the Company secures human resources capable of originating new services that contribute to the development of the capital market, in addition to our existing services. We must thus recruit widely, hiring people with expertise in such fields as law, finance, accounting, and management. An aggressive hiring campaign is currently under way.

An additional challenge is to quickly bring our human resources up to performance levels once they are hired. By enhancing our in-house training groups whereby employees can acquire practical knowledge, and other training programs taught by the management team, we expect to quickly develop our recruits into real assets.

4. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Assets		
Current assets		
Cash and deposits	897,736	1,142,135
Accounts receivable-trade	292,949	308,100
Work in process	45,616	71,499
Supplies	2,583	2,944
Prepaid expenses	17,823	30,239
Deferred tax assets	61,116	60,219
Other	2,276	2,006
Allowance for doubtful accounts	(849)	(893)
Total current assets	1,319,253	1,616,250
Noncurrent assets		
Property, plant and equipment		
Buildings and accompanying facilities	72,692	72,692
Accumulated depreciation	(47,014)	(51,371)
Buildings and accompanying facilities, net	25,677	21,321
Vehicles	—	1,341
Accumulated depreciation	—	(1,005)
Vehicles, net	—	335
Tools, furniture and fixtures	41,579	59,431
Accumulated depreciation	(27,978)	(35,118)
Tools, furniture and fixtures, net	13,601	24,313
Construction in progress	7,180	—
Total property, plant and equipment	46,459	45,970
Intangible assets		
Goodwill	85,452	—
Software	51,585	201,433
Software in progress	106,947	—
Other	3,930	3,930
Total intangible assets	247,915	205,363
Investments and other assets		
Investment securities	4,386	4,801
Claims provable in bankruptcy, claims provable in rehabilitation and other	7,832	7,832
Lease and guarantee deposits	140,373	136,695
Deferred tax assets	47,762	60,442
Allowance for doubtful accounts	(7,832)	(7,832)
Total investments and other assets	192,522	201,938
Total noncurrent assets	486,897	453,272
Total assets	1,806,151	2,069,523

(Thousands of yen)

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	54,372	100,755
Lease obligations	15,921	7,234
Accounts payable-other	4,591	3,941
Accrued expenses	50,866	61,352
Income taxes payable	166,673	161,324
Advances received	36,139	33,546
Deposits received	8,176	14,977
Provision for bonuses	73,353	71,473
Provision for directors' bonuses	19,500	13,932
Other	22,142	19,659
Total current liabilities	451,736	488,197
Noncurrent liabilities		
Lease obligations	7,234	—
Long-term accounts payable-other	170	—
Provision for retirement benefits	1,048	1,498
Provision for directors' retirement benefits	71,534	98,146
Total noncurrent liabilities	79,987	99,644
Total liabilities	531,723	587,842
Net assets		
Shareholders' equity		
Capital stock	289,694	289,694
Capital surplus		
Legal capital surplus	278,496	278,496
Total capital surplus	278,496	278,496
Retained earnings		
Other retained earnings		
Reserve for special depreciation	5,241	3,616
Retained earnings brought forward	701,636	910,247
Total retained earnings	706,877	913,864
Treasury stock	(79)	(79)
Total shareholders' equity	1,274,989	1,481,976
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(562)	(295)
Total valuation and translation adjustments	(562)	(295)
Total net assets	1,274,427	1,481,680
Total liabilities and net assets	1,806,151	2,069,523

(2) Statements of Income

(Thousands of yen)

	FY2011 (from April 1, 2011, to March 31, 2012)	FY2012 (from April 1, 2012, to March 31, 2013)
Net sales	2,707,551	3,058,319
Cost of sales	1,014,866	1,180,879
Gross profit	1,692,684	1,877,439
Selling, general and administrative expenses	*1 1,207,910	*1 1,264,914
Operating income	484,774	612,525
Non-operating income		
Interest income	843	778
Foreign exchange gains	1,294	—
Reversal of allowance for doubtful accounts	2,411	—
Other	688	892
Total non-operating income	5,236	1,670
Non-operating expenses		
Interest expenses	1,939	1,204
Foreign exchange losses	—	4,890
Other	105	83
Total non-operating expenses	2,045	6,178
Ordinary income	487,965	608,017
Extraordinary loss		
Loss on retirement of noncurrent assets	35	—
Total extraordinary losses	35	—
Income before income taxes	487,930	608,017
Income taxes-current	280,611	299,086
Income taxes-deferred	(7,771)	(11,929)
Total income taxes	272,839	287,156
Net income	215,090	320,861

(3) Statements of Changes in Net Assets

(Thousands of yen)

	FY2011 (from April 1, 2011, to March 31, 2012)	FY2012 (from April 1, 2012, to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	289,694	289,694
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	289,694	289,694
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	278,496	278,496
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	278,496	278,496
Total capital surplus		
Balance at the beginning of current period	278,496	278,496
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	278,496	278,496
Retained earnings		
Other retained earnings		
Reserve for special depreciation		
Balance at the beginning of current period	6,556	5,241
Changes of items during the period		
Reversal of reserve for special depreciation	(1,315)	(1,624)
Total changes of items during the period	(1,315)	(1,624)
Balance at the end of current period	5,241	3,616
Retained earnings brought forward		
Balance at the beginning of current period	535,843	701,636
Changes of items during the period		
Dividends from surplus	(50,613)	(113,874)
Net income	215,090	320,861
Reversal of reserve for special depreciation	1,315	1,624
Total changes of items during the period	165,792	208,611
Balance at the end of current period	701,636	910,247

(Thousands of yen)

	FY2011 (from April 1, 2011, to March 31, 2012)	FY2012 (from April 1, 2012, to March 31, 2013)
Total retained earnings		
Balance at the beginning of current period	542,399	706,877
Changes of items during the period		
Dividends from surplus	(50,613)	(113,874)
Net income	215,090	320,861
Reversal of reserve for special depreciation	—	—
Total changes of items during the period	164,477	206,986
Balance at the end of current period	706,877	913,864
Treasury stock		
Balance at the beginning of current period	—	(79)
Changes of items during the period		
Purchase of treasury stock	(79)	—
Total changes of items during the period	(79)	—
Balance at the end of current period	(79)	(79)
Total shareholders' equity		
Balance at the beginning of current period	1,110,591	1,274,989
Changes of items during the period		
Dividends from surplus	(50,613)	(113,874)
Net income	215,090	320,861
Purchase of treasury stock	(79)	—
Total changes of items during the period	164,398	206,986
Balance at the end of current period	1,274,989	1,481,976
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(292)	(562)
Changes of items during the period		
Net changes of items other than shareholders' equity	(269)	266
Total changes of items during the period	(269)	266
Balance at the end of current period	(562)	(295)
Total net assets		
Balance at the beginning of current period	1,110,298	1,274,427
Changes of items during the period		
Dividends from surplus	(50,613)	(113,874)
Net income	215,090	320,861
Purchase of treasury stock	(79)	—
Net changes of items other than shareholders' equity	(269)	266
Total changes of items during the period	164,128	207,253
Balance at the end of current period	1,274,427	1,481,680

(4) Statements of Cash Flows

(Thousands of yen)

	FY2011 (from April 1, 2011, to March 31, 2012)	FY2012 (from April 1, 2012, to March 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	487,930	608,017
Depreciation and amortization	35,017	49,713
Amortization of goodwill	85,452	85,452
Increase (decrease) in provision for bonuses	8,512	(1,880)
Increase (decrease) in provision for directors' bonuses	19,500	(5,567)
Increase (decrease) in provision for retirement benefits	226	449
Increase (decrease) in provision for directors' retirement benefits	16,126	26,611
Increase (decrease) in allowance for doubtful accounts	(2,571)	43
Loss on retirement of property, plant and equipment	35	—
Foreign exchange losses (gains)	249	3,565
Interest income	(843)	(778)
Interest expenses	1,939	1,204
Decrease (increase) in notes and accounts receivable-trade	(111,807)	(15,150)
Decrease (increase) in inventories	(8,140)	(26,242)
Increase (decrease) in notes and accounts payable-trade	8,956	43,420
Increase (decrease) in accounts payable-other	(18,044)	186
Increase (decrease) in accrued expenses	18,998	10,486
Increase (decrease) in accrued consumption taxes	11,295	(2,712)
Increase (decrease) in advances received	11,354	(2,592)
Other, net	14,081	(711)
Subtotal	578,270	773,513
Interest and dividends income received	392	1,108
Interest expenses paid	(1,836)	(1,204)
Income taxes paid	(273,177)	(304,885)
Net cash provided by (used in) operating activities	303,650	468,532
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(250,000)	(350,000)
Purchase of property, plant and equipment	(11,811)	(14,613)
Purchase of intangible assets	(80,306)	(75,623)
Payment for lease and guarantee deposits	—	(1,224)
Proceeds from collection of lease and guarantee deposits	43,980	—
Net cash provided by (used in) investing activities	(298,138)	(441,461)

(Thousands of yen)

	FY2011 (from April 1, 2011, to March 31, 2012)	FY2012 (from April 1, 2012, to March 31, 2013)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(150,000)	—
Repayments of lease obligations	(15,470)	(15,921)
Cash dividends paid	(50,054)	(113,644)
Purchase of treasury stock	(79)	—
Other, net	(1,953)	—
Net cash provided by (used in) financing activities	(217,557)	(129,565)
Effect of exchange rate change on cash and cash equivalents	(244)	(3,685)
Net increase (decrease) in cash and cash equivalents	(212,290)	(106,180)
Cash and cash equivalents at beginning of period	625,606	413,316
Cash and cash equivalents at end of period	*1413,316	*1307,135

- (5) Notes Relating to the Financial Statements
(Notes Relating to the “Going Concern” Assumption)
None applicable

(Significant Accounting Policies)

1. Standards and methods used for valuation of securities

Available-for-sale securities:

- | | |
|---|--|
| Securities for which it is practicable to determine market value: | Stated at market value based on the market price on the settlement day
(Unrealized holding gains and losses are accounted for as a component of net assets, whereas cost of sales is determined using the moving-average method.) |
| Securities for which it is not practicable to determine market value: | Stated at cost based on the moving-average method |

2. Standards and methods used for valuation of inventories

(1) Work in process

Stated at cost based on the specific cost method after the write-down of the book value according to a decrease in profitability

(2) Supplies

Stated at the last purchase price method

3. Depreciation method of noncurrent assets

(1) Property, plant and equipment (excluding lease assets):

Depreciated using the declining-balance method

The useful lives of major assets are as follows.

Buildings and accompanying facilities: 8–18 years

Vehicles: 2 years

Tools, furniture and fixtures: 3–15 years

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Following an amendment to the Corporation Tax Act, the Company, from the fiscal year ended March 31, 2013, changed over to the depreciation method based on the amended Act for property, plant and equipment acquired on or after April 1, 2012.

The impact from this change as compared with the previous method is minimal.

(2) Intangible assets (excluding lease assets):

Depreciated using the straight-line method

For software for internal use, however, the straight-line method based on the term available for use within the Company, which is five (5) years, is applied.

(3) Lease assets:

Lease assets resulting from finance leases that do not transfer ownership are depreciated using the straight-line method over the useful life equal to the lease terms assuming no residual value.

Of the finance lease transactions that do not transfer ownership, those with leases starting on and before March 31, 2008, are accounted for in the same manner as operating leases.

4. Basis for recording reserves

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount based on the actual ratio of bad debts in the past for general receivables and on the individual collectability for specific doubtful receivables with default possibility.

(2) Provision for bonuses

The provision for bonuses to employees is made based on an estimated amount of payment for the year under review.

(3) Provision for directors' bonuses

The provision for directors' bonuses is made based on an estimated amount of payment for the year under review.

(4) Provision for retirement benefits

The provision for retirement benefits to employees is made at an amount to be required at the year-end for voluntary termination according to the rules and regulations for retirement benefits.

(5) Provision for directors' retirement benefits

The provision for retirement benefits to directors is made at an amount to be required at the year-end according to the rules and regulations for directors' retirement benefits.

5. Scope of cash and cash equivalents in the Financial Statements of Cash Flows

This includes cash on hand and demand deposits as well as short-term, highly liquid investments with maturity of less than or equal to three months that are readily convertible to cash and exposed to minimal risk of value fluctuations.

6. Amortization of goodwill

Goodwill is amortized evenly over a period of five (5) years.

7. Other significant matters for the basis of preparation of Financial Statements

Accounting of consumption tax, etc.

Consumption tax and local consumption taxes are calculated using the tax exclusion method, while non-deductible consumption tax and local consumption tax applicable to assets are accounted for as expenses for the fiscal year under review.

(Balance Sheets)

For the purpose of efficient funding of working capital, the Company has overdraft facility agreements with two banks.

The unexecuted balance of overdraft facilities in the fiscal year under review is as follows.

	Previous fiscal year (as of March 31, 2012)	Current fiscal year (as of March 31, 2013)
Total of overdraft limit	¥900,000 thousand	¥500,000 thousand
Outstanding borrowings	—	—
Balance	¥900,000 thousand	¥500,000 thousand

(Statements of Income)

*1 Amounts and approximate ratio of the major items under selling, general and administrative expenses are as follows.

(Thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Directors' compensations	¥170,364	¥170,251
Salaries and allowances	¥305,467	¥335,034
Provision for bonuses	¥35,788	¥37,954
Provision for directors' bonuses	¥19,500	¥13,932
Retirement benefit expenses	¥9,039	¥9,446
Provision for directors' retirement benefits	¥19,882	¥28,303
Traveling and transportation expenses	¥51,494	¥72,314
Depreciation	¥18,760	¥26,501
Amortization of goodwill	¥85,452	¥85,452
Rents	¥112,639	¥103,150
Commission fee	¥75,170	¥68,247
Approximate ratio		
Selling expenses	12%	9%
General and administrative expenses	88%	91%

(Statements of Changes in Net Assets)

Previous fiscal year (from April 1, 2011 to March31, 2012)

1. Matters related to shares issued

Type of shares	Number of shares at the beginning of current fiscal year	Increase	Decrease	Number of shares at the end of current fiscal year
Common shares	1,687,100	—	—	1,687,100

2. Matters related to treasury stock

Type of shares	Number of shares at the beginning of current fiscal year	Increase	Decrease	Number of shares at the end of current fiscal year
Common shares	—	71	—	71

(Overview of reasons for change)

The increase of 71 shares in treasury stock was due to the purchase of fractional shares.

3. Matters related to dividends

(1) Cash dividends paid

Resolution	Type of shares	Total dividend amount (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
A general meeting of shareholders on June 24, 2011	Common shares	50,613	30	March 31, 2011	June 27, 2011

(2) From the dividends for which the record date falls within the year under review, dividends for which the effective date falls within the next fiscal year are as follows.

Resolution	Type of shares	Source of dividends	Total dividend amount (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
A general meeting of shareholders on June 26, 2012	Common shares	Retained earnings	75,916	45	March 31, 2012	June 27, 2012

Current fiscal year (from April 1, 2012 to March31, 2013)

1. Matters related to shares issued

Type of shares	Number of shares at the beginning of current fiscal year	Increase	Decrease	Number of shares at the end of current fiscal year
Common shares	1,687,100	—	—	1,687,100

2. Matters related to treasury stock

Type of shares	Number of shares at the beginning of current fiscal year	Increase	Decrease	Number of shares at the end of current fiscal year
Common shares	71	—	—	71

3. Matters related to dividends

(1) Cash dividends paid

Resolution	Type of shares	Total dividend amount (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
A general meeting of shareholders on June 26, 2012	Common shares	75,916	45	March 31, 2012	June 27, 2012
Board meeting held on November 2, 2012	Common shares	37,958	22.5	September 30, 2012	December 3, 2012

(2) From the dividends for which the record date falls within the year under review, dividends for which the effective date falls within the next fiscal year are as follows.

Resolution	Type of shares	Source of dividends	Total dividend amount (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
A general meeting of shareholders on June 25, 2013	Common shares	Retained earnings	80,133	47.5	March 31, 2013	June 26, 2013

(Statements of Cash Flows)

*1 Relationship between the balance of cash and cash equivalents at the end of the fiscal year and amount of items posted in the Balance Sheets is as follows.

(Thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Cash and deposits	897,736	1,142,135
Time deposits with a maturity longer than three months	(485,000)	(835,000)
Deposits paid (current assets, other)	579	—
Cash and cash equivalents	413,316	307,135

(Equity in Earnings (Losses) of Affiliates and Others)

This is not applicable as the Company has no affiliated companies.

(Segment Information and Others)

This is not applicable as the Company engages in the consulting business specializing in IR/SR activities, which constitutes a single business segment.

(Earnings per Share)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Net assets per share	¥755.43	¥878.28
Basic net income per share	¥127.49	¥190.19

Note: Net income per share-diluted is not stated as there were no residual shares.

2. The basis for the calculation of basic net income per share is as follows.

Item	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Net income on statements of income (Thousands of yen)	215,090	320,861
Net income not available to common shareholders (Thousands of yen)	—	—
Net income attributable to shares of common stock (Thousands of yen)	215,090	320,861
Weighted average number of shares of common stock during the fiscal year (Shares)	1,687,055	1,687,029

(Significant Subsequent Event)

[Details of the Stock Acquisition Rights]

Stock acquisition rights to be issued through the rights offering (commitment type/allotment of listing-type stock acquisition rights without contribution)

The Company resolved at the Board of Directors meeting held on April 12, 2013 that a rights offering (commitment type/allotment of listing-type stock acquisition rights without contribution) covering all the shareholders other than the Company be conducted and it was carried out as of April 23, 2013, which was set as the fixed date for allocation.

1. Name of Stock Acquisition Rights	IR Japan, Inc. Stock Acquisition Rights No.1 (the “Stock Acquisition Rights”)
2. Allotment method of the Stock Acquisition Rights	By allotting the stock acquisition rights without contribution to the shareholders, excluding the Company, who were specified or recorded in the latest Company’s shareholder registry as of April 23, 2013, which was set as the fixed date for allocation, at the rate of one stock acquisition right per one share of the Company’s common stock (Article 277 of the Companies Act)
3. Total number of the Stock Acquisition Rights	1,687,029
4. Issue price	¥0 per stock acquisition right
5. Effective date of the allotment of stock acquisition rights without contribution	April 24, 2013
6. Class and number of shares underlying the Stock Acquisition Rights	0.1 shares of the Company’s common stock per one Stock Acquisition Right
7. Value of the property to be contributed when the Stock Acquisition Right is exercised (Exercise Price)	¥6,000 per share (per 10 stock acquisition rights)
8. Amount to be incorporated into capital in cases where shares are issued as a result of the exercise of the Stock Acquisition Rights	¥3,000 per share (per 10 stock acquisition rights)
9. Exercise period for the Stock Acquisition Rights	From May 17, 2013 to May 30, 2013 and from June 5, 2013 to June 6, 2013
10. Listing of the Stock Acquisition Rights	These stock acquisition rights are listed on Osaka Securities Exchange (JASDAQ), thus tradable through market transactions. Listing date: April 24, 2013 Last trading date: May 23, 2013 (planned) Delisting date: May 24, 2013 (planned)
11. Uses of Proceeds	Proceeds are planned to be applied to the funds for the extensive development of the renewed comprehensive shareholders’ data base system in the stock transfer agency business.