

## Summary of Non-consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2014 (J-GAAP)

August 1, 2013

Listed Company Name: IR Japan, Inc.  
 Securities Code: 6051  
 Listing: Tokyo Securities Exchange URL: <http://www.irjapan.net/>  
 Representative: Shirou Terashita, President and Chief Executive Officer  
 Contact: Yoshiki Hamasaki, Section Chief, Corporate Planning Section TEL: +81-3-3796-1120  
 Scheduled Date to Submit Quarterly Securities Report: August 14, 2013  
 Scheduled Date to Start Dividend Payment: —  
 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 of the Three Months Ended June 30, 2013 (from April 1, 2013 to June 30, 2013)

#### (1) Operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2013	1,216	34.5	408	30.6	334	7.3	198	19.9
Three months ended June 30, 2012	904	18.0	313	26.0	311	25.5	165	41.6

	Net income per share—basic	Net income per share—diluted
	Yen	Yen
Three months ended June 30, 2013	112.92	—
Three months ended June 30, 2012	98.28	—

#### (2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	Millions of yen
As of June 30, 2013	3,352	2,610	77.9
As of March 31, 2013	2,069	1,481	71.6

(Reference) Shareholders' equity As of June 30, 2013: 2,610 million yen As of March 31, 2013: 1,481 million yen

### 2. Dividends

	Annual Dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	—	22.50	—	47.50	70.00
Year ending March 31, 2014	—				
Year ending March 31, 2014 (Forecast)		40.00	—	50.00	90.00

(Note) Revision of dividends forecast since last announcement: None

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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,360	9.9	813	32.7	742	22.0	423	31.8	231.63

(Note): Revision of results forecast since last announcement: None

Notes

- (1) Application of special accounting treatments in preparing quarterly financial statements: Yes

Note: Please refer to page 7 of the Attachment “(1) Application of Special Accounting Treatments in Preparing Quarterly Financial Statements” of “2. Summary Information (Notes)” for details.

- (2) Change in accounting policies, change in accounting estimates and retrospective restatements

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

- (3) Number of shares issued (common stock)

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

As of June 30, 2013 1,855,802 shares

As of March 31, 2013 1,687,100 shares

- 2) Number of shares of treasury stock at end of period

As of June 30, 2013 281 shares

As of March 31, 2013 71 shares

- 3) Average number of shares during the period

April – June 2013 1,761,038 shares

April – June 2012 1,687,029 shares

Implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to this Non-consolidated Financial Results, and the quarterly review 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 the basis of presumption of the results forecast and the notes on its use, please refer to page 6 of the Attachment “(3) Forward-looking Estimates Including Results Forecast” of “1. Qualitative Information on Financial Results of the Three Months Ended June 30, 2013.”

Contents of the Attachment

1. Qualitative Information on Financial Results of the Three Months Ended June 30, 2013 ..... 4

(1) Operating Results..... 4

(2) Financial Position ..... 6

(3) Forward-looking Estimates Including Results Forecast ..... 6

2. Summary Information (Notes)..... 7

(1) Application of Special Accounting Treatments in Preparing Quarterly Financial Statements ..... 7

(2) Change in Accounting Policies, Change in Accounting Estimates and Retrospective Restatements..... 7

3. Financial Statements ..... 8

(1) Balance Sheets ..... 8

(2) Statements of Income..... 9

(3) Notes Relating to the Quarterly Financial Statements ..... 10

    (Notes Relating to the “Going Concern” Assumption) ..... 10

    (Notes Regarding Significant Changes in the Amount of Shareholders’ Equity) ..... 10

\* 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: Friday, August 2, 2013

## 1. Qualitative Information on Financial Results of the Three Months Ended June 30, 2013

### (1) Operating Results

#### 1) General overview

During the three months ended June 30, 2013, net sales of IR Japan, Inc. (“the Company”) performed well with a year-on-year increase of 34.5%, which resulted in a rise of operating income by 30.6% year on year. Meanwhile, ordinary income grew by only 7.3% year on year due to various factors including an outlay of ¥77 million for stock issuance cost (a non-operating expense) pertaining to a rights offering carried out in April 2013.

(Millions of yen)

	Three Months Ended June 30, 2013 (Year Ending March 31, 2014)			Three Months Ended June 30, 2012 (Year Ended March 31, 2013)	
	Amount	Amount change	YoY change (%)	Amount	YoY change (%)
Net sales	1,216	312	34.5	904	18.0
Operating income	408	95	30.6	313	26.0
Ordinary income	334	22	7.3	311	25.5
Net income	198	33	19.9	165	41.6

[Main trends in the three months ended June 30, 2013]

- ✓ IR/SR Consulting, a core business of the Company, is driving revenue growth, characterized by:
  - Steady growth in new clients for IR/SR Consulting provided through the marketing of the new stock transfer agency business;
  - A significant increase in large-scale cases arising from opposition to management policies and objections from major shareholders; and
  - Higher income from a newly launched rights offering-related business.
- ✓ The stock transfer agency business is in full-fledged operation (albeit with limited net sales for the three months ended June 30, 2013), featuring:
  - Concluded entrustments with 14 companies; and
  - 52,009 managed shareholders (as of August 1, 2013).

#### I. IR/SR Consulting, a core business of the Company, is driving revenue growth

##### i) Steady growth in new clients for IR/SR Consulting provided through the marketing of the new stock transfer agency business

In April 2012, the Company became the first new entrant to the stock transfer agency business in roughly 40 years. As this business is an essential service for all listed companies regardless of their market capitalization, its launch has increased the opportunities for marketing new businesses. As a result, we have been able to progressively increase the number of new clients, primarily in small- to mid-cap companies (those with a relatively small market capitalization), for which we have so far had a limited client base.

##### ii) A significant increase in large-scale cases arising from opposition to management policies and objections from major shareholders

At this year’s shareholders’ meeting held in June, there was a succession of large-scale cases arising from opposition to management policies and from objections exercised by major shareholders regarding incompetence in corporate governance and poor business performance. The Company provides one-stop, comprehensive Shareholder Relations, from acknowledging the facts to strategy planning, as well as undertaking the running of large-scale shareholders’ meetings on that day. We are thus entrusted to deal with large numbers of such cases.

##### iii) Higher income from a newly launched rights offering-related business

In April 2013, the Company became the first company in Japan to carry out a commitment-type rights offering. In light of that milestone, the Company has started to develop new businesses, such as advisory services related to rights offerings, the main method of raising capital in the European market, and information agent services<sup>\*1</sup>. 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 and Financial Instruments Exchanges, in addition to market participants, have been preparing for the introduction of rights offerings

in the Japanese market. (As of July 31, 2013, rights offerings have been implemented by 10 companies.) The Company's performance has been highly rated, and consequently in the three months ended June 30, 2013, we were entrusted with the rights offering-related business, which is contributing to income growth.

\*1 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.

## II. The stock transfer agency business is in full-fledged operation (albeit with limited net sales for the three months ended June 30, 2013)

During the three months ended June 30, 2013, the Company started full-fledged operation of its stock transfer agency business, which handles work for the shareholders' meetings and corporate actions (stock splits, preferred stock issuance, rights offerings, etc.).

The Company is steadily growing its client base, due to the success of its provision of cutting-edge services that take advantage of the benefits of the paperless stock transfer system<sup>\*2</sup>. (Entrustments with 14 companies have been decided, and the number of shareholders we currently manage is 52,009 as of August 1, 2013.) However, realizing net sales after entrustments are decided can take from several weeks up to about one year. Therefore, net sales of the stock transfer agency business for the three months ended June 30, 2013, are limited.

In order to further develop and grow this business and expand its entrustment share in the mid- to long-term, it is necessary to develop a system capable of handling up to 40 million shareholders. Although the current general shareholder database system is operating sufficiently, we will embark on system development<sup>\*3</sup> for handling a growing number of shareholders in preparation for an anticipated increase in client companies from hereon. For further details, please refer to the "Announcement of Purchase of Noncurrent Assets" released on August 1, 2013 (Japanese only).

\*2 The Company's stock transfer agency business has achieved the minimum number of days (49) in rights offerings, which is one of its cutting-edge services.

\*3 The Company plans to develop this system in collaboration with IBM Japan Ltd.

### 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	Three Months Ended June 30, 2013 (Year Ending March 31, 2014)			Three Months Ended June 30, 2012 (Year Ended March 31, 2013)	
	Net sales	Component ratio (%)	YoY change (%)	Net sales	YoY change (%)
IR/SR Consulting	1,061	87.3	42.7	744	18.6
Disclosure Consulting	101	8.3	-3.8	105	20.8
Databases and Others	53	4.4	-2.4	54	5.9
Total	1,216	100.0	34.5	904	18.0

#### 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) 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) Financial Position

### 1) Assets

Assets at the end of the first quarter of the fiscal year under review increased ¥1,283 million from the end of the previous year to ¥3,352 million, due primarily to increases in cash and deposits of ¥887 million and in notes and accounts receivable-trade of ¥332 million.

### 2) Liabilities

Liabilities at the end of the first quarter of the fiscal year under review increased ¥154 million from the end of the previous fiscal year to ¥742 million, due to an increase in accounts payable-trade of ¥105 million.

### 3) Net Assets

Net assets at the end of the first quarter of the fiscal year under review increased ¥1,129 million from the end of the previous fiscal year to ¥2,610 million, due to increases in capital stock and legal capital surplus of ¥506 million each through the exercise of stock acquisition rights in a rights offering (commitment type/allotment of listing-type stock acquisition rights without contribution).

## (3) Forward-looking Estimates Including Results Forecast

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

(Millions of Yen)

	Forecast of Operating Results for the Year Ending March 31, 2014 (as of April 12, 2013)			Actual Results for the 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 continues to find it difficult to make reasonable predictions of its results in the fiscal year under review. The forecast of operating results for the year ending March 31, 2014 above was based on reasonable grounds for calculation as of April 12, 2013.

2. Summary Information (Notes)

(1) Application of Special Accounting Treatments in Preparing Quarterly Financial Statements

Calculation of tax expenses

The Company reasonably estimates an effective tax rate after applying the tax effect accounting to income before income taxes for the fiscal year under review, and adopts such a method to calculate tax expenses by multiplying quarterly income before income taxes by the estimated effective tax rate.

(2) Change in Accounting Policies, Change in Accounting Estimates and Retrospective Restatements

None Applicable

3. Financial Statements  
(1) Balance Sheets

(Thousands of yen)

	As of March 31, 2013	As of June 30, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	1,142,135	2,029,715
Notes and accounts receivable-trade	308,100	640,590
Work in process	71,499	133,207
Supplies	2,944	1,657
Other	92,465	82,673
Allowance for doubtful accounts	(893)	(1,857)
Total current assets	1,616,250	2,885,987
Noncurrent assets		
Property, plant and equipment	45,970	42,232
Intangible assets	205,363	209,600
Investments and other assets		
Other	209,770	216,246
Allowance for doubtful accounts	(7,832)	(1,152)
Total investments and other assets	201,938	215,093
Total noncurrent assets	453,272	466,927
Total assets	2,069,523	3,352,914
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	100,755	205,968
Income taxes payable	161,324	136,485
Provision for bonuses	71,473	32,500
Provision for directors' bonuses	13,932	—
Other	140,711	285,696
Total current liabilities	488,197	660,651
Noncurrent liabilities		
Provision for retirement benefits	1,498	1,664
Provision for directors' retirement benefits	98,146	79,805
Total noncurrent liabilities	99,644	81,469
Total liabilities	587,842	742,120
<b>Net assets</b>		
Shareholders' equity		
Capital stock	289,694	795,803
Capital surplus	278,496	784,605
Retained earnings	913,864	1,032,587
Treasury stock	(79)	(2,272)
Total shareholders' equity	1,481,976	2,610,723
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(295)	70
Total valuation and translation adjustments	(295)	70
Total net assets	1,481,680	2,610,793
Total liabilities and net assets	2,069,523	3,352,914

(2) Statements of Income  
For the Three Months Ended June 30, 2013

(Thousands of yen)

	Three Months of FY 2012 (from April 1, 2012, to June 30, 2012)	Three Months of FY 2013 (from April 1, 2013, to June 30, 2013)
Net sales	904,448	1,216,693
Cost of sales	280,905	543,738
Gross profit	623,542	672,954
Selling, general and administrative expenses	310,286	263,961
Operating income	313,255	408,992
Non-operating income		
Interest income	165	114
Gain on disposal of treasury subscription rights to shares	—	3,157
Other	186	525
Total non-operating income	351	3,798
Non-operating expenses		
Interest expenses	353	93
Stock issuance cost	—	77,692
Other	1,745	614
Total non-operating expenses	2,099	78,400
Ordinary income	311,508	334,390
Income before income taxes	311,508	334,390
Income taxes	145,703	135,533
Net income	165,804	198,856

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

(Notes Regarding Significant Changes in the Amount of Shareholders’ Equity)

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.

In addition, the stock acquisition rights were exercised until June 6, 2013.

As a result, during the three months ended June 30, 2013, the number of shares issued (common stock) was 168,702 shares, while capital stock and legal capital surplus each increased by ¥506,108 thousand. At the end of the period under review, the number of shares issued (common stock) was 1,855,802 shares, while capital stock amounted to ¥795,803 thousand and legal capital surplus was ¥784,605 thousand.