

Summary of Non-consolidated Financial Results for the Year Ended March 31, 2014 (J-GAAP)

May 15, 2014

Listed Company Name: IR Japan, Inc.
 Securities Code: 6051
 Listing: Tokyo Stock Exchange URL: <http://www.irjapan.net/>
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 Scheduled Annual General Meeting of Shareholders: June 24, 2014
 Scheduled Date to Start Dividend Payment: June 25, 2014
 Scheduled Date to Submit Securities Report: June 25, 2014
 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, 2013 to March 31, 2014)

(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	%
Year ended March 31, 2014	3,192	4.4	626	2.3	560	-7.8	336	4.9
Year ended March 31, 2013	3,058	13.0	612	26.4	608	24.6	320	49.2

	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, 2014	36.76	—	16.2	21.4	19.6
Year ended March 31, 2013	38.04	—	23.3	31.4	20.0

Reference: Equity in earnings (loss) of affiliates Year ended March 31, 2014: — million yen
 Year ended March 31, 2013: — million yen

Note: The Company conducted a 5-for-1 stock split of its common stock on November 27, 2013. Net income per share figures have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	3,174	2,674	84.3	288.28
As of March 31, 2013	2,069	1,481	71.6	175.66

Reference: Shareholders' equity Year ended March 31, 2014: 2,674 million yen
 Year ended March 31, 2013: 1,481 million yen

Note: The Company conducted a 5-for-1 stock split of its common stock on November 27, 2013. Net assets per share figures have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Cash Flows

	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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2014	354	(188)	774	1,247
Year ended March 31, 2013	468	(441)	(129)	307

2. Dividends

	Full-year dividend					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	Millions of yen	%	%
Fiscal year ended March 31, 2013	—	22.50	—	47.50	70.00	118	36.8	8.6
Fiscal year ended March 31, 2014	—	40.00	—	12.00	—	185	54.4	8.6
Fiscal year ending March 31, 2015 (Forecast)	—	8.00	—	12.00	20.00		33.7	

Note: The Company conducted a 5-for-1 stock split for the common stock held by shareholders registered or recorded in the shareholders' registry as at the closing of the record date for the stock split, i.e., November 26, 2013. Thus, while the dividend forecast at the end of the second quarter has been calculated on a pre-stock split basis, the year-end dividend forecast has been calculated on a post-stock split basis.

3. Results Forecast for the Fiscal Year Ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(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	3,500	9.6	920	46.8	920	64.1	550	63.3	59.28

Notes:

- (1) Change in accounting policies and 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
- (2) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2014	9,279,010 shares
As of March 31, 2013	8,435,500 shares
 - 2) Number of treasury shares at the end of the period

As of March 31, 2014	1,455 shares
As of March 31, 2013	355 shares
 - 3) Average number of shares during the fiscal year

Year ended March 31, 2014	9,159,825 shares
Year ended March 31, 2013	8,435,145 shares

Note: The Company conducted a 5-for-1 stock split of its common stock on November 27, 2013. The figures for the number of shares issued (common stock) have been calculated on the basis that the stock split was conducted at the beginning of the previous fiscal year.

Implementation status for auditing procedures

The auditing procedure based on the Financial Instruments and Exchange Act does not apply to these 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 the 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 "3) Forecast for fiscal 2014" under "1. Analysis of Operating Results and Financial Position" on page 6 of the attachment.

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Note: The Company will hold a briefing for investors, as indicated below. The materials distributed at the briefing will be posted on the Company’s website soon after the briefing.

Financial results briefing for institutional investors and analysts: Friday, May 16, 2014

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Operating results

During the fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014), IR Japan, Inc. (the “Company”) achieved its best results since its stock listing, thanks to a year-on-year increase in both net sales and operating income. Nevertheless, it failed to achieve its operating results forecast for the full year.

Meanwhile, ordinary income declined 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)

	Current fiscal year (April 2013 to March 2014)			Previous fiscal year (April 2012 to March 2013)	Forecast of operating results for the fiscal year ended March 31, 2014 (as of April 12, 2013)
	Amount	Amount change (YoY)	Percentage change (YoY)	Amount [Percentage change (YoY)]	Amount [Percentage change (YoY)]
Net sales	3,192	133	4.4	3,058 [13.0]	3,360 [-5.0]
Operating income	626	14	2.3	612 [26.4]	813 [-22.9]
Ordinary income	560	-47	-7.8	608 [24.6]	742 [-24.5]
Net income	336	15	4.9	320 [49.2]	423 [-20.4]

Net sales for the fiscal year under review fell short of the full-year forecast of operating results by ¥167 million, due to factors including delays in the commencement of large-scale SR Consulting services, a failure of the stock transfer agency business to contribute to income growth in a timely manner, and a slowdown in the Disclosure Consulting business.

The Company had planned to offer large-scale SR Consulting services as an additional service to its core business of shareholder identification surveys, but due to system development delays, it was unable to offer this service during the period under review, resulting in a significant loss of income opportunities. The Company believes that there is a large potential demand for this service and that the incentive to adopt this service will be high among clients of international shareholder identification surveys, in which the Company boasts a 77.1% market share. Through the entrustment of this service, the Company anticipates a rise in unit prices and effective client retention in its SR Consulting business.

In the stock transfer agency business, the number of companies that have concluded entrustments increased steadily in recognition of the Company’s entrustment record, with the number of shareholders under administration topping 100,000. (Entrustments with 25 companies have been decided and the number of shareholders under administration reached 124,490, as of May 15, 2014.) However, as revenues for the stock transfer agency business are recognized from the time of the commencement of shareholder administration for the client rather than the time of the resolution at the client’s Board of Directors’ meeting, sales recorded for the fiscal year under review were limited due to a large number of contracts with a long period between the resolution and the commencement of administration. It should be noted that, as the Company’s commission system is linked to the number of shareholders under administration, sales relating to at least 124,490 shareholders under administration will be recognized from May onwards.

Sales from Disclosure Consulting were sluggish due to a strategic scaling down of new marketing activities in its legal documentation services, in addition to a decrease in entrustments of annual reports in its IR tool consulting services.

Launch of the Investment Banking Department and Future Strategies

As the first company in Japan to carry out a commitment-type rights offering (the Company was awarded the “Innovative Equity Deal of the Year” in the DEALWATCH AWARDS of Thomson Reuters), the Company has started to develop new businesses, including advisory services related to rights offerings, the main method of raising capital in the European market, and information agent services.

Furthermore, proposals made by the stock transfer agency services to listed companies contributed to

growing demand from their CEOs and CFOs, in recognition of the Company's status as an innovator in the capital markets, for a completely new type of support in finance from the perspective of an issuer that would be different from that offered by the financial institutions. Consequently, the Company launched the Investment Banking Department in January 2014 and began to provide rights offering-related services and financial advisory services such as those relating to M&As, management integration, and the acquisition of wholly owned subsidiaries. The Company has been accumulating a track record of entrustments including the financial advisory services for the rights offering by SHODENSYA Co., Ltd. (TSE Mothers, Securities Code: 1711), and the financial advisory services relating to the share exchange in conjunction with the acquisition by H2O RETAILING CORPORATION (TSE 1st Section, Securities Code: 8242) of KAZOKUTEI CO., LTD. (TSE JASDAQ, Securities Code: 9931) as a wholly owned subsidiary.

2) Net sales by type of service

The Company engages in the "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 2013 to March 2014)			Previous fiscal year (April 2012 to March 2013)	
	Net sales	Component ratio (%)	Percentage change (YoY)	Net sales	Percentage change (YoY)
IR/SR Consulting	2,370	74.3	6.7	2,221	14.6
Disclosure Consulting	583	18.3	-1.4	591	9.2
Databases and Other	237	7.4	-3.0	244	7.9
Total	3,192	100.0	4.4	3,058	13.0

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), the stock transfer agency business, and the rights offering-related 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 shareholder 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&As).

Databases and Other

Databases and Other 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 2014

Forecast of operating results for the year ending March 31, 2015 (as of May 15, 2014)

(Millions of yen)

	Forecast (as of May 15, 2014) Year ending March 31, 2015			Actual Year ended March 31, 2014	
	Amount	Amount change (YoY)	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	3,500	307	9.6	3,192	4.4
Operating income	920	293	46.8	626	2.3
Ordinary income	920	359	64.1	560	-7.8
Net income	550	213	63.3	336	4.9

The forecast for the fiscal year ending March 31, 2015 is based on reasonable grounds for calculation as of May 15, 2014.

The Company expects an increase in net sales mainly in its core IR/SR Consulting business. The investment banking and stock transfer agency businesses are expected to contribute to income in the IR/SR Consulting business, in addition to traditional services including shareholder identification surveys. Operating income is expected to increase substantially as a result of an increase in net sales as well as a decrease in outsourcing costs, among other factors.

4) Seasonal fluctuation

The Company's quarterly net sales tended to be concentrated in the first and second quarters because of the nature of our core business, IR/SR Consulting services. These services are usually in great demand around June, when many Japanese companies organize shareholders' meetings. Recently, however, opportunities for recording net sales also have grown in the third and fourth quarters, and the customary seasonal fluctuations are expected to flatten out, thanks to large-scale cases distributed evenly throughout the year, as well as the investment banking business and the stock transfer agency business, both of which are non-seasonal operations.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net assets

Total assets at the end of the fiscal year under review increased ¥1,104 million from the end of the previous fiscal year, to ¥3,174 million, due primarily to increases in cash and deposits of ¥890 million, construction in progress of ¥50 million, and software in progress of ¥159 million.

Liabilities at the end of the fiscal year under review decreased ¥87 million from the end of the previous fiscal year, to ¥499 million, due primarily to a decrease in income taxes payable of ¥91 million.

Net assets at the end of the fiscal year under review increased ¥1,192 million from the end of the previous fiscal year, to ¥2,674 million, due primarily 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).

2) Cash flows

Cash and cash equivalents at the end of the fiscal year under review increased ¥940 million from the end of the previous fiscal year, to ¥1,247 million. Net cash provided by (used in) respective activities during the fiscal year under review is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year under review was ¥354 million, which is attributable primarily to income before income taxes of ¥560 million, depreciation and amortization of ¥74 million, and income taxes paid of ¥299 million.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review was ¥188 million, which is attributable primarily to purchase of property, plant and equipment of ¥81 million and purchase of intangible assets of ¥111 million.

(Cash flows from financing activities)

Net cash provided by financing activities in the fiscal year under review was ¥774 million, which is attributable primarily to cash dividends paid of ¥154 million, proceeds from issuance of common shares

of ¥1,012 million and payments for issuance of common shares of ¥77 million.

(Reference) Cash flow indicators

	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014
Equity ratio (%)	70.6	71.6	84.3
Equity ratio based on market capitalization (%)	130.4	974.1	374.1
Cash flows/interest-bearing debt ratio (%)	7.6	1.5	—
Interest coverage ratio (times)	165.3	389.1	3,139.1

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, 2014 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, 2014, the Company is scheduled to pay an ordinary dividend of ¥40 per share* as an interim dividend and an ordinary dividend of ¥12 per share as a year-end dividend.

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, 2015, the Company is currently scheduled to pay an ordinary dividend of ¥8 per share as an interim dividend and an ordinary dividend of ¥12 per share as a year-end dividend. However, the Company intends to take flexible measures, including the acquisition of treasury shares, in light of performance trends and other factors.

*The Company conducted a 5-for-1 stock split on November 27, 2013. The interim dividend for the fiscal year ended March 31, 2014, as stated above, is the amount prior to the stock split.

2. Corporate Group

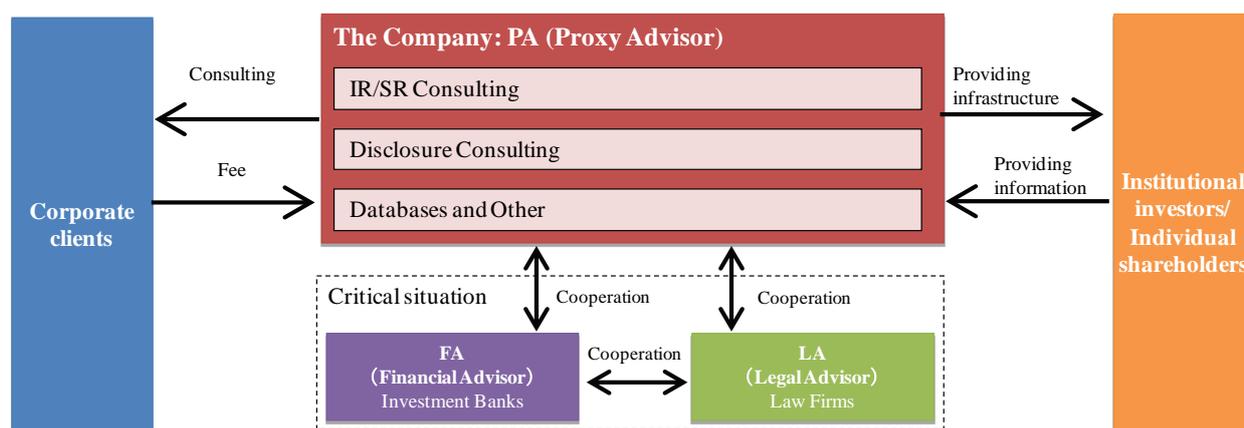
The Company engages in the “consulting business specializing in IR/SR activities,” which constitutes a single business segment. The Company regards IR (Investor Relations) activities as the activities of listed companies to conduct relations with general investors, while SR (Shareholder Relations) activities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

The Company offers IR/SR Consulting, Disclosure Consulting, and Databases and Other 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 390 domestic companies and 5,325 companies overseas, as well as a network of 49,185 individual shareholders registered with the Company’s *Kabunushi-Hiroba* service (as of March 31, 2014), 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 FA’s (Financial Advisor: investment banks) or LA’s (Legal Advisor: law firms) expert perspectives.

Additionally, the Company launched the Investment Banking Department in January 2014 and began to provide comprehensive financial solutions to listed companies, including rights offering-related services and financial advisory services such as those relating to M&As, management integration, and the acquisition of wholly owned subsidiaries. Through these activities, the Company, as an innovator in the capital markets, has been continuously expanding its business domain.



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 Medium- 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 four 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 needs for SR Consulting services have been growing even among regional companies and companies with relatively small market capitalization. This trend is due to a revision to the Companies Act and the introduction of Japan’s Stewardship Code, in addition to an increase in shareholding by overseas institutional investors. 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) 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.

3) Expansion of the investment banking business

As the first company in Japan to carry out a commitment-type rights offering (the Company was awarded the “Innovative Equity Deal of the Year” in the DEALWATCH AWARDS of Thomson Reuters), 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. Furthermore, the proposals made by the stock transfer agency services to listed companies contributed to growing demand from their CEOs and CFOs, in recognition of the Company’s status as an innovator in the capital markets, for a completely new type of support in finance from the perspective of an issuer that would be different from that offered by the financial institutions. Consequently, the Company launched the Investment Banking Department in January 2014 and began to provide rights offering-related services and financial advisory services such as those relating to M&As, management integration, and the acquisition of wholly

owned subsidiaries. Going forward, the Company intends to leverage its client base centered on over 500 listed companies to expand its investment banking business.

4) 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 whereby employees can acquire practical knowledge, as well as 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)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	1,142,135	2,032,671
Notes and accounts receivable—trade	308,100	297,919
Work in process	71,499	19,580
Supplies	2,944	2,508
Prepaid expenses	30,239	46,211
Deferred tax assets	60,219	44,161
Other	2,006	22,994
Allowance for doubtful accounts	(893)	—
Total current assets	1,616,250	2,466,047
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	72,692	89,099
Accumulated depreciation	(51,371)	(56,141)
Facilities attached to buildings, net	21,321	32,957
Vehicles	1,341	1,341
Accumulated depreciation	(1,005)	(1,341)
Vehicles, net	335	0
Tools, furniture and fixtures	59,431	85,130
Accumulated depreciation	(35,118)	(46,666)
Tools, furniture and fixtures, net	24,313	38,464
Construction in progress	—	50,221
Total property, plant and equipment	45,970	121,643
Intangible assets		
Software	201,433	180,626
Software in progress	—	159,655
Other	3,930	3,930
Total intangible assets	205,363	344,212
Investments and other assets		
Investment securities	4,801	5,600
Claims provable in bankruptcy, claims provable in rehabilitation and other	7,832	1,754
Lease and guarantee deposits	136,695	159,379
Deferred tax assets	60,442	59,503
Other	—	18,000
Allowance for doubtful accounts	(7,832)	(1,754)
Total investments and other assets	201,938	242,482
Total non-current assets	453,272	708,338
Total assets	2,069,523	3,174,386

(Thousands of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Accounts payable—trade	100,755	171,192
Lease obligations	7,234	—
Accounts payable—other	3,941	4,728
Accrued expenses	61,352	25,953
Income taxes payable	161,324	69,644
Advances received	33,546	28,755
Deposits received	14,977	33,449
Provision for bonuses	71,473	65,020
Provision for directors' bonuses	13,932	—
Other	19,659	873
Total current liabilities	488,197	399,618
Non-current liabilities		
Provision for retirement benefits	1,498	1,956
Provision for directors' retirement benefits	98,146	98,290
Total non-current liabilities	99,644	100,246
Total liabilities	587,842	499,865
Net assets		
Shareholders' equity		
Capital stock	289,694	795,803
Capital surplus		
Legal capital surplus	278,496	784,605
Total capital surpluses	278,496	784,605
Retained earnings		
Other retained earnings		
Reserve for special depreciation	3,616	2,053
Retained earnings brought forward	910,247	1,094,177
Total retained earnings	913,864	1,096,231
Treasury shares	(79)	(2,337)
Total shareholders' equity	1,481,976	2,674,302
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(295)	218
Total valuation and translation adjustments	(295)	218
Total net assets	1,481,680	2,674,521
Total liabilities and net assets	2,069,523	3,174,386

(2) Statements of Income

(Thousands of yen)

	FY2012 (from April 1, 2012 to March 31, 2013)	FY2013 (from April 1, 2013 to March 31, 2014)
Net sales	3,058,319	3,192,232
Cost of sales	1,180,879	1,380,242
Gross profit	1,877,439	1,811,989
Selling, general and administrative expenses	* ₁ 1,264,914	* ₁ 1,185,425
Operating income	612,525	626,564
Non-operating income		
Interest income	778	508
Gain on donation of non-current assets	—	7,923
Gain on disposal of treasury subscription rights to shares	—	3,157
Other	892	1,282
Total non-operating income	1,670	12,871
Non-operating expenses		
Interest expenses	1,204	112
Foreign exchange losses	4,890	885
Share issuance cost	—	77,860
Other	83	76
Total non-operating expenses	6,178	78,935
Ordinary income	608,017	560,500
Income before income taxes	608,017	560,500
Income taxes—current	299,086	207,066
Income taxes—deferred	(11,929)	16,712
Total income taxes	287,156	223,779
Net income	320,861	336,721

(3) Statements of Changes in Equity
 FY2012 (from April 1, 2012 to March 31, 2013)

(Thousands of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for special depreciation	Retained earnings brought forward	
Balance at beginning of current period	289,694	278,496	278,496	5,241	701,636	706,877
Changes of items during period						
Issuance of new shares	—	—	—			
Dividends of surplus					(113,874)	(113,874)
Net income					320,861	320,861
Reversal of reserve for special depreciation				(1,624)	1,624	—
Purchase of treasury shares						
Net changes of items other than shareholders' equity						
Total changes of items during period	—	—	—	(1,624)	208,611	206,986
Balance at end of current period	289,694	278,496	278,496	3,616	910,247	913,864

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of current period	(79)	1,274,989	(562)	1,274,427
Changes of items during period				
Issuance of new shares		—		—
Dividends of surplus		(113,874)		(113,874)
Net income		320,861		320,861
Reversal of reserve for special depreciation		—		—
Purchase of treasury shares	—	—		—
Net changes of items other than shareholders' equity			266	266
Total changes of items during period	—	206,986	266	207,253
Balance at end of current period	(79)	1,481,976	(295)	1,481,680

FY2013 (from April 1, 2013 to March 31, 2014)

(Thousands of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for special depreciation	Retained earnings brought forward	
Balance at beginning of current period	289,694	278,496	278,496	3,616	910,247	913,864
Changes of items during period						
Issuance of new shares	506,108	506,108	506,108			
Dividends of surplus					(154,354)	(154,354)
Net income					336,721	336,721
Reversal of reserve for special depreciation				(1,562)	1,562	—
Purchase of treasury shares						
Net changes of items other than shareholders' equity						
Total changes of items during period	506,108	506,108	506,108	(1,562)	183,929	182,367
Balance at end of current period	795,803	784,605	784,605	2,053	1,094,177	1,096,231

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of current period	(79)	1,481,976	(295)	1,481,680
Changes of items during period				
Issuance of new shares		1,012,217		1,012,217
Dividends of surplus		(154,354)		(154,354)
Net income		336,721		336,721
Reversal of reserve for special depreciation		—		—
Purchase of treasury shares	(2,258)	(2,258)		(2,258)
Net changes of items other than shareholders' equity			514	514
Total changes of items during period	(2,258)	1,192,326	514	1,192,840
Balance at end of current period	(2,337)	2,674,302	218	2,674,521

(4) Statements of Cash Flows

(Thousands of yen)

	FY2012 (from April 1, 2012 to March 31, 2013)	FY2013 (from April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Income before income taxes	608,017	560,500
Depreciation	49,713	74,928
Gain on disposal of treasury subscription rights to shares	—	(3,157)
Share issuance cost	—	77,860
Gain on donation of non-current assets	—	(7,923)
Amortization of goodwill	85,452	—
Increase (decrease) in provision for bonuses	(1,880)	(6,453)
Increase (decrease) in provision for directors' bonuses	(5,567)	(13,932)
Increase (decrease) in provision for retirement benefits	449	458
Increase (decrease) in provision for directors' retirement benefits	26,611	143
Increase (decrease) in allowance for doubtful accounts	43	(6,971)
Foreign exchange losses (gains)	3,565	81
Interest income	(778)	(508)
Interest expenses	1,204	112
Decrease (increase) in notes and accounts receivable—trade	(15,150)	10,180
Decrease (increase) in inventories	(26,242)	52,354
Increase (decrease) in notes and accounts payable—trade	43,420	(18,184)
Increase (decrease) in accounts payable—other	186	362
Increase (decrease) in accrued expenses	10,486	(35,399)
Increase (decrease) in accrued consumption taxes	(2,712)	(18,870)
Increase (decrease) in advances received	(2,592)	(4,791)
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	—	6,078
Other	(711)	(13,918)
Subtotal	773,513	652,951
Interest and dividend income received	1,108	799
Interest expenses paid	(1,204)	(112)
Income taxes paid	(304,885)	(299,081)
Net cash provided by (used in) operating activities	468,532	354,555
Cash flows from investing activities		
Net decrease (increase) in time deposits	(350,000)	50,000
Purchase of property, plant and equipment	(14,613)	(81,087)
Purchase of intangible assets	(75,623)	(111,989)
Payment for lease and guarantee deposits	(1,224)	(27,120)
Purchase of golf club memberships	—	(18,000)
Net cash provided by (used in) investing activities	(441,461)	(188,196)

	FY2012 (from April 1, 2012 to March 31, 2013)	FY2013 (from April 1, 2013 to March 31, 2014)
Cash flows from financing activities		
Repayments of lease obligations	(15,921)	(7,234)
Cash dividends paid	(113,644)	(154,270)
Purchase of treasury shares	—	(2,258)
Purchase of treasury subscription rights to shares	—	(10,486)
Proceeds from disposal of treasury subscription rights to shares	—	14,239
Proceeds from issuance of common shares	—	1,012,217
Payments for issuance of common shares	—	(77,860)
Net cash provided by (used in) financing activities	(129,565)	774,348
Effect of exchange rate change on cash and cash equivalents	(3,685)	(170)
Net increase (decrease) in cash and cash equivalents	(106,180)	940,536
Cash and cash equivalents at beginning of period	413,316	307,135
Cash and cash equivalents at end of period	* ¹ 307,135	* ¹ 1,247,671

- (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 by 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 non-current 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 to 18 years

Vehicles: 2 years

Tools, furniture and fixtures: 3 to 15 years

(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 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 fiscal year under review.

(3) Provision for directors' bonuses

The provision for directors' bonuses is made based on an estimated amount of payment for the fiscal 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 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. Other significant matters for the basis of preparation of the 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.

	(Thousands of yen)	
	Previous fiscal year (as of March 31, 2013)	Current fiscal year (as of March 31, 2014)
Total of overdraft limit	¥500,000	¥500,000
Outstanding borrowings	—	—
Balance	¥500,000	¥500,000

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, 2012 to March 31, 2013)	Current fiscal year (April 1, 2013 to March 31, 2014)
Directors' compensation	¥170,251	¥201,794
Salaries and allowances	¥335,034	¥299,574
Provision for bonuses	¥37,954	¥32,124
Retirement benefit expenses	¥9,446	¥8,373
Provision for directors' retirement benefits	¥28,303	¥25,848
Approximate ratio		
Selling expenses	9%	11%
General and administrative expenses	91%	89%

Statements of Changes in Equity

Previous fiscal year (from April 1, 2012 to March 31, 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 shares

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 stock acquisition rights, etc.

None applicable

4. 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
Annual general meeting of shareholders on June 26, 2012	Common shares	75,916	45.00	March 31, 2012	June 27, 2012
Board of Directors' meeting on November 2, 2012	Common shares	37,958	22.50	September 30, 2012	December 3, 2012

(2) From the dividends for which the record date falls within the fiscal 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
Annual general meeting of shareholders on June 25, 2013	Common shares	Retained earnings	80,133	47.50	March 31, 2013	June 26, 2013

Current fiscal year (from April 1, 2013 to March 31, 2014)

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	7,591,910	—	9,279,010

(Overview of reasons for change)

1. The Company conducted a 5-for-1 stock split of common shares on November 27, 2013.
2. The increase in the number of shares issued was due to an increase of 168,702 shares resulting from an exercise of stock acquisition rights through a rights offering (commitment type/allotment of listing-type stock acquisition rights without contribution) and an increase of 7,423,208 shares through the stock split.

2. Matters related to treasury shares

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	1,384	—	1,455

(Overview of reasons for change)

The increase in the number of treasury shares was due to an increase through the stock split and the purchase of fractional shares.

3. Matters related to stock acquisition rights, etc.

Details	Class of shares underlying the stock acquisition rights	Number of shares underlying the stock acquisition rights (Shares)				Balance at the end of current fiscal year (Thousands of yen)
		At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
IR Japan, Inc. Stock Acquisition Rights No. 1	Common shares	—	171,572 (2,870)	171,572 (2,870)	—	—
Total		—	171,572 (2,870)	171,572 (2,870)	—	—

Notes: 1. The number of shares underlying the stock acquisition rights states the number of shares assuming the stock acquisition rights have been exercised.

2. Treasury subscription rights to shares are stated in parentheses.

3. Summary of reasons for changes in the number of shares underlying the stock acquisition rights

The increase in the number of shares underlying the IR Japan, Inc. Stock Acquisition Rights No. 1 was due to the increase of 168,702 shares in conjunction with the issue of stock acquisition rights and the increase of 2,870 shares in conjunction with the disposal of treasury subscription rights to shares.

The decrease in the number of shares underlying the IR Japan, Inc. Stock Acquisition Rights No. 1 was due to the decrease of 168,702 shares in conjunction with the exercise of stock acquisition rights and the decrease of 2,870 shares in conjunction with the purchase of treasury subscription rights to shares.

4. 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
Annual general meeting of shareholders on June 25, 2013	Common shares	80,133	47.50	March 31, 2013	June 26, 2013
Board of Directors' meeting on November 8, 2013	Common shares	74,220	40.00	September 30, 2013	December 3, 2013

(2) From the dividends for which the record date falls within the fiscal 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
Annual general meeting of shareholders on June 24, 2014	Common shares	Retained earnings	111,330	12.00	March 31, 2014	June 25, 2014

Note: The Company conducted a 5-for-1 stock split for common stock held by shareholders registered or recorded in the shareholders' registry as at the closing of the record date for the stock split, i.e., November 26, 2013. Thus, the per share amount of dividends to be paid with the effective date of June 25, 2014 has been calculated on a post-stock split basis.

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, 2012 to March 31, 2013)	Current fiscal year (April 1, 2013 to March 31, 2014)
Cash and deposits	1,142,135	2,032,671
Time deposits with a maturity longer than three months	(835,000)	(785,000)
Cash and cash equivalents	307,135	1,247,671

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, 2012 to March 31, 2013)	Current fiscal year (April 1, 2013 to March 31, 2014)
Net assets per share	¥175.66	¥288.28
Basic net income per share	¥38.04	¥36.76

Notes: 1. Net income per share–diluted is not stated as there were no residual shares.

2. The Company conducted a 5-for-1 stock split of its common stock on November 27, 2013. Net assets per share and basic net income per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

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

Item	Previous fiscal year (April 1, 2012 to March 31, 2013)	Current fiscal year (April 1, 2013 to March 31, 2014)
Net income (Thousands of yen)	320,861	336,721
Net income not available to common shareholders (Thousands of yen)	—	—
Net income attributable to shares of common stock (Thousands of yen)	320,861	336,721
Weighted average number of shares of common stock during the fiscal year (Shares)	8,435,145	9,159,825