

# Semi Annual Report 2012

2011.4.1 ~ 2011.9.30



Your Capital Market Intelligence

**IR Japan**

IR Japan, Inc.  
Securities Code : 6051

## To Our Shareholders

I would like to express my deep appreciation to those who have remained IR Japan shareholders since our initial public offering and all new shareholders, notwithstanding dramatic fluctuations in the market environment.

I would like to take this opportunity to review the second quarter operating results that we disclosed previously.

- ✔ Performance in the second quarter was basically in line with forecasts. Although earnings were lower than anticipated, near-term results were solid. We have thus kept our forecasts unchanged for the full year.
- ✔ Listed corporate customers are sensitive to market risks in an unstable market environment, boosting the volume of our shareholder relations work.
- ✔ Our financial position improved on the strength of becoming debt-free and maintaining ample cash.
- ✔ After reviewing shareholder returns in light of prevailing results and international perspectives, we decided to increase the dividend per share for the full year from ¥25 to ¥40, close to our goal of matching the average U.S. payout ratio of 35%.

The Japanese capital markets have become highly unpredictable and volatile for corporate management owing to the European financial crisis, corporate restructurings, and business scandals. As the nation's foremost market consulting team, IR Japan is drawing on the talents of all of its professionals to transform these challenges into opportunities. I look forward to your ongoing support for our endeavors.



**President and  
Chief Executive Officer**

*S. Terashita*

(Millions of yen)

	FY2010 1st Half	FY2011 1st Half	Change	FY2011 1st Half Forecast Announcement Date: May 13, 2011	Difference Between Forecasts and Actual Results (%)
Net sales	1,562	1,589	1.8%	1,640	(3.1%)
Operating income	481	435	(9.5%)	443	(1.7%)
Ordinary income	497	438	(11.9%)	443	(1.1%)
Net income	257	206	(19.9%)	233	(11.5%)

Since the Company became listed on March 18, 2011, it has not prepared quarterly financial statements as required by the Financial Instruments and Exchange Act of Japan for the six months ended September 30, 2011. Figures for previous corresponding period are thus solely for readers' reference.

## Revised Dividend Forecasts to Match International Levels

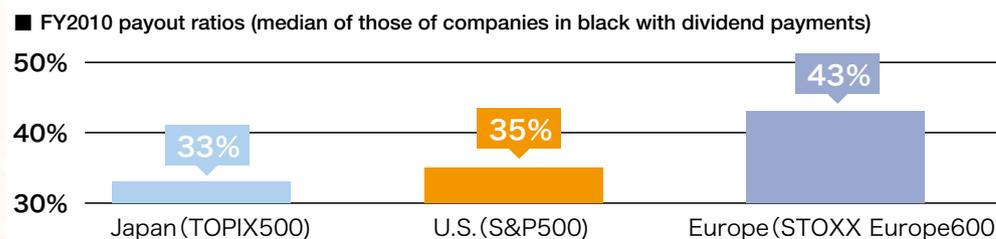
Management lifted its year-end dividend projection by ¥15 from an initially planned ¥25 per share, to ¥40 per share.

As shown on the right, the payout ratios of U.S. and European companies exceed those of Japanese enterprises. The payout ratios of Japanese companies are considered inadequate for most overseas investors. Management therefore decided to raise IR Japan's payout ratio to 34.1%, not far below the average of 35% for U.S. companies, while pursuing dividend stability.

	Year-end dividend per share	Projected payout ratio
Initial forecast (announced on May 13, 2011)	Ordinary dividend of ¥25	21.3%
Revised forecast (announced on October 28, 2011)	Ordinary dividend of ¥40	34.1%

Payout ratios of Japanese companies are considered inadequate for most overseas investors

Raise payout ratio to 34.1% for current fiscal year to try to equate 35% average at U.S. companies



Source: Research by Nomura Securities Co., Ltd.

# Topics

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## Stock listing inauguration celebration as expression of gratitude

In May, IR Japan held this event to express gratitude to the business partners whose ongoing support made the March 2011 listing possible.



More than 1,000 people from business and legal circles attended the event in the Heian Room of the Hotel Okura Tokyo. They enjoyed food and goods that we brought in from the Tohoku region as part of efforts to contribute to earthquake reconstruction.



## Wide Media Coverage

Many media covered our listing, including *Zaikai* and *Keizaikai* magazines and radio, with appearances by top management.



Articles in *Zaikai* (left) and *Keizaikai* (right) magazines

## 14th IR Japan Seminar Held

In September, we held a seminar entitled “Latest Trends in Shareholder Relations and Approaches to corporate Defense in Consideration of the Destabilizing factors at General Shareholder Meetings,” given the developments taking place at these meetings in 2011. In light of the growing importance of shareholder voting rights, participants discussed new shareholder relations initiatives based in the understanding of shareholders’ point of view.



The 14th IR Japan Seminar at Ascot Hall of Hotel Okura Tokyo was well-attended.

## Held seminars for shareholder relations officials

We held seminars for shareholder relations officials in Tokyo, Osaka, Kyoto, Kobe, and Nagoya in September and October. The gatherings focused on shareholder meeting trends in 2011 and practical points for dealing with shareholders. We provided more practical perspectives for preparing for next year’s general shareholder meetings.



Our seminars for shareholder relations officials in Tokyo, Osaka, Kyoto, Kobe, and Nagoya were filled to capacity.

## Improving core information

In September and October IR Japan’s top management team visited investors in Singapore, Hong Kong, Beijing, and North America to enhance the quality of our core information on shareholders of Japanese stocks and thus raise our “market intelligence.”



Shirou Terashita, president and CEO (left), visited Singapore, Asia’s financial hub.



Tetsuaki Kanemoto, vice president and COO (left), visited Beijing and Hong Kong, called the Wall Street of China.

# Financial Highlights

## Balance Sheet Summary

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011	Change
Total current assets	1,165	1,385	220
Total noncurrent assets	582	500	(81)
Total assets	1,747	1,886	(138)
Total current liabilities	556	541	(15)
Total short-term loans payable	150	—	(150)
Total noncurrent liabilities	80	79	(0)
Total liabilities and net assets	1,110	1,264	154
Income Statement Summary	1,747	1,886	138

## Income Statement Summary

(Millions of yen)

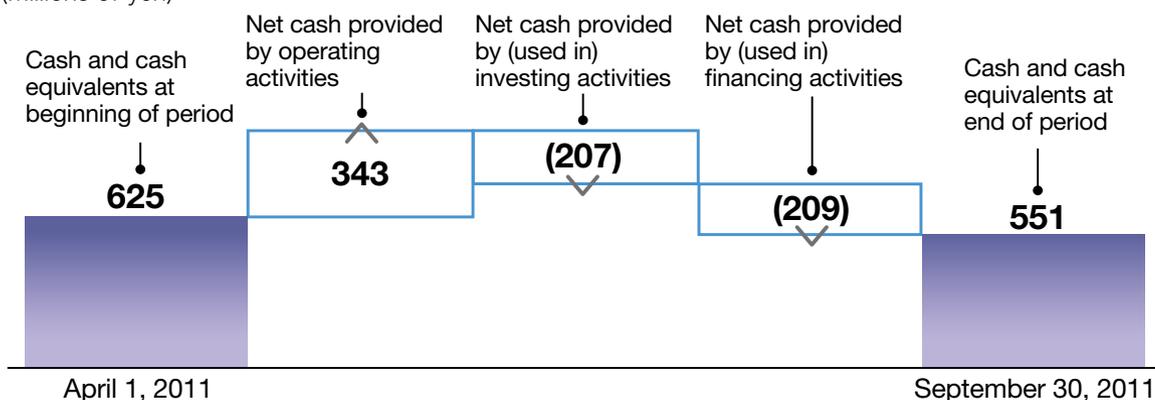
	FY2010 1st Half	FY2011 1st Half	Change	Full-Year Forecast
Net sales	1,562	1,589	1.8%	2,620
IR & SR Consulting	1,148	1,136	(1.1%)	—
Disclosure Consulting	310	344	10.7%	—
Databases and Others	102	108	6.1%	—
Operating income	481	435	(9.5%)	451
Ordinary income	497	438	(11.9%)	450
Net income	257	206	(19.9%)	198

There is a growing need among listed companies for IR Japan's consulting services to secure approvals in shareholder voting and deal with activist funds. IR Japan benefited from a steady increase in orders for new and ongoing projects, not from any large-scale projects such as proxy fights or M&As (more random events). Net sales, thus advanced 1.8%, to ¥1,589 million. Following the steady hiring of consultants commensurate with the expansion of our service menu, operating income dropped 9.5%, to ¥435 million, compared with the same period last year, which remains within the target scope of the initial plan.

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## Cash Flow Statement Summary

(Millions of yen)



### [Reinforcing the Financial Position]

Management strengthened the Company's financial position by repaying loans and increasing time deposits.

- A key factor was a ¥200 million rise in time deposits.

- A principal contributor was a loan repayment of ¥150 million that eliminated the Company's debt.

## Share Information (As of September 30, 2011)

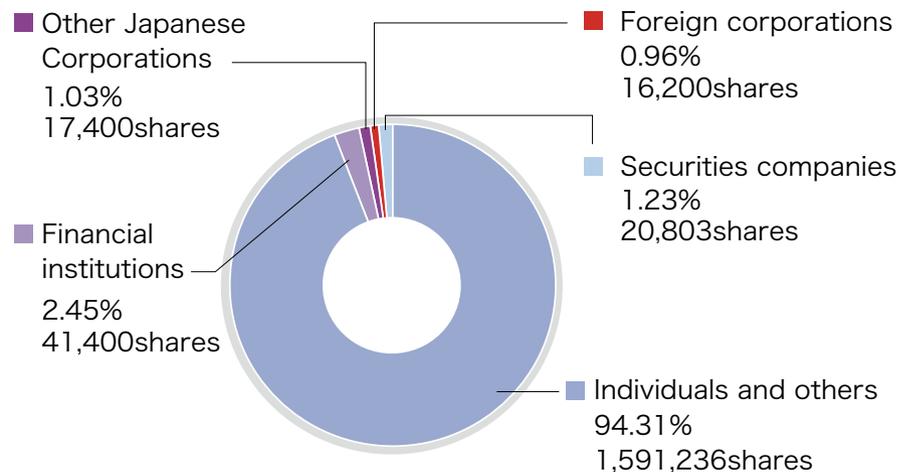
### ● Share Information

Total number of authorized to be issued	5,800,000
Total number of shares issued (including 61 shares of treasury stock)	1,687,100
Number of shareholders	961

### ● Principal Shareholders

Shareholder name	Number of shares held	Shareholding ratio
Shirou Terashita	1,054,000	62.47
Tetsuaki Kanemoto	50,000	2.96
Osaka Securities Finance Company, Ltd.	29,700	1.76
Atsuhide Nakamura	20,400	1.20
Hideo Ohya	20,000	1.18
IR Japan Employees Shareholding Association	16,500	0.97
Gainwell Securities Co., Limited Account 864000	13,900	0.82
Yasutaka Furukawa	11,000	0.65
Yoshihiko Tomimatsu	10,800	0.64
Yukihiko Aoyama	10,200	0.60

### ● Shareholder Distribution



Note: Excluding 61 shares of treasury stock

Be sure to visit the IR Japan website to view a video of the Briefing for Analysts and Institutional Investors.

IR Japan IR & SR Information 検索

Statements in this report that are not historical facts are forward-looking statements based on the assumptions and beliefs of the Company's management in light of the information currently available to it and involve risks and uncertainties, including economic trends, market demand, and revisions to the tax system or regulatory systems. These factors could affect the Company's business and financial results in future periods, and the Company assumes no responsibility for any damages that may occur due to the use of information in this report. The Company assumes no obligation to revise forward-looking statements contained herein, whether as a result of new information or future events.

## Information for Shareholders

<b>Business year</b>	From April 1 to March 31 of the following year
<b>Record date of dividend payment</b>	Year-end dividends March 31 Other information is announced in advance when necessary.
<b>Record date of general meeting of shareholders</b>	The record date for the ordinary general meeting of shareholders is March 31. Other information is announced in advance when necessary.
<b>Ordinary general meeting of shareholders</b>	June
<b>Method of public announcements</b>	Electronic notification ( <a href="http://www.irjapan.net/koukoku/">http://www.irjapan.net/koukoku/</a> ) However, in the event that electronic notification of public announcements is impossible owing to an accident or other unavoidable reason, public announcements will be published in the Nihon Keizai Shimbun.
<b>Transfer agent</b>	Tokyo Securities Transfer Agent Co., Ltd. 2-6-2 Otemachi, Chiyoda-ku, Tokyo, Japan (Nihon Building 4F)
<b>Mailing address</b>	2-8-4 Izumi, Suginami-ku, Tokyo 168-8522
<b>Contact information</b>	Tokyo Securities Transfer Agent Co., Ltd. Business Center Tel: 0120-49-7009
<b>Website</b>	<a href="http://www.tosyodai.co.jp/">http://www.tosyodai.co.jp/</a> Transfer agent services are provided at the head office and branch offices in Japan of The Chuo Mitsui Trust and Banking Company, Ltd.

### Requests for change of address or the purchase or sale of fractional shares less than one trading unit

Please file requests with the securities company with which you have your account.

### Payment of unpaid dividends.

Please contact the transfer agent, Tokyo Securities Transfer Agent Co., Ltd

## Company Profile

<b>Name</b>	IR Japan, Inc. <ul style="list-style-type: none"><li>○ Listed on the JASDAQ Standard market of the Osaka Securities Exchange (Securities code: 6051).</li><li>○ Honorary international participant, Council of Institutional Investors (U.S.)</li><li>○ Certified investment evaluation institute</li><li>○ Supporting member, The Securities Analysts Association of Japan</li><li>○ Member, Japan Investor Relations Association</li><li>○ Member, The IR Planners Association of Japan</li></ul>
<b>Address</b>	11th floor, Aoyama Building, 2-3, Kita-Aoyama 1-chome, Minato-ku, Tokyo 107-0061 URL : <a href="http://www.irjapan.net/">http://www.irjapan.net/</a>
<b>Establishment</b>	October 2007
<b>Capitalization</b>	289,694 thousand yen