

2. Dividends

	Full-year dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	—	10.00	—	18.00	28.00
Fiscal year ending March 31, 2017	—	15.00	—		
Fiscal year ending March 31, 2017 (Forecast)				25.00	40.00

Note: Revision of dividends forecast since last announcement: Yes

Notes:

1. The dividend sources for the fiscal year ended March 31, 2016 and at the end of the second quarter of the fiscal year ending March 31, 2017 include other capital surplus. For details, please refer to “Details of dividends paid from other capital surplus” described below.
2. For details, please refer to “1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2016 (3) Forward-looking Statements Including Consolidated Results Forecast” on page 8 of the attachment.

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,800	9.5	1,000	28.1	1,000	28.2	650	46.0	72.72

Note: Revision of consolidated results forecast since last announcement: Yes

Note 1: For details, please refer to “1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2016 (3) Forward-looking Statements Including Consolidated Results Forecast” on page 8 of the attachment.

Notes:

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in the scope of consolidation): None
Newly included: —
Excluded: —
- (2) Application of special accounting treatments in preparing quarterly consolidated financial statements: Yes
Note: For details, please refer to “2. Summary Information (Notes) (2) Application of Special Accounting Treatments in Preparing Consolidated Financial Statements” on page 10 of the attachment.
- (3) Change in accounting policies, 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
- (4) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)

As of December 31, 2016	9,277,555 shares
As of March 31, 2016	9,277,555 shares
 - 2) Number of treasury shares at the end of the period

As of December 31, 2016	386,182 shares
As of March 31, 2016	182 shares
 - 3) Average number of shares during the period

April – December, 2016	8,954,537 shares
April – December, 2015	9,277,480 shares

Implementation of quarterly review procedure

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to these 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 additional notes

Forward-looking statements, including the results forecast, contained in this document are based on information available to the Group 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) Forward-looking Statements Including Consolidated Results Forecast” under “1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2016” on page 8 of the attachment.

Details of dividends paid from other capital surplus

Of the dividends for the fiscal year ending March 31, 2017, those paid from other capital surplus are set out as follows:

Record date	Second quarter-end	Total
Dividend per share	15.00 yen	15.00 yen
Total dividends	133 million yen	133 million yen

Note: Percentage decrease in net assets 0.055

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Note: The Company will hold a briefing for investors, as indicated below. Materials distributed at this briefing are set to be posted on the Company's website immediately after the briefing. The materials are available in Japanese only.

Financial results briefing for institutional investors and analysts: Friday, February 3, 2017

1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2016

(1) Operating Results

1) General overview

During the nine months ended December 31, 2016, net sales for the Group achieved a year-on-year increase of 13.4% as a result of sales growth in our core business of SR Consulting, due to growing needs for consulting services related to the implementation of the Corporate Governance Code by companies, as well as business reorganization and corporate control (voting rights), in addition to our progress toward full-scale operation of the investment banking business, including completion of some of the large-scale projects we were entrusted with. In terms of profits, operating income jumped 57.9% year on year. In addition, ordinary income and profit attributable to owners of parent registered significant year-on-year growth of 57.9% and 47.2%, respectively. This was attributable to our efforts to improve added value and efficiency in SR Consulting and an increase in the number of profitable projects in the investment banking business, supported by a decrease in expenses, such as rents paid, which had temporarily increased in the previous fiscal year due to the relocation of head office. Both net sales and profits achieved a record high for the nine-month period.

(Millions of yen)

	Nine months ended December 31, 2016 (April to December 2016)			Nine months ended December 31, 2015 (April to December 2015)	
	Amount	Change	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	2,927	345	13.4	2,582	1.9
Operating income	806	295	57.9	511	-10.4
Ordinary income	806	295	57.9	510	-10.7
Profit attributable to owners of parent	492	158	47.2	334	-7.9

2) Net sales by type of service

The Group is engaged 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	Nine months ended December 31, 2016 (April to December 2016)			Nine months ended December 31, 2015 (April to December 2015)	
	Amount	Percentage of net sales	Percentage change (YoY)	Amount	Percentage change (YoY)
IR/SR Consulting	2,270	77.6	19.4	1,901	2.2
Disclosure Consulting sales	484	16.5	-4.4	506	0.8
Databases and Other sales	173	5.9	-0.4	174	2.3
Total net sales	2,927	100.0	13.4	2,582	1.9

IR/SR Consulting

IR/SR Consulting is the Group's core lineup of services, including shareholder identification surveys, proxy voting simulation, proxy advisory (comprehensive strategy planning for shareholder meetings), the investment banking business, and the stock transfer agency business.

During the period under review, net sales from IR/SR Consulting increased 19.4% year on year. In IR/SR Consulting, there has first been a full-scale increase in the number of listed companies implementing the Corporate Governance Code. The frequency of surveys to understand the share ownership structure (shareholder identification surveys) increased, and the number of companies carrying out approval/disapproval simulation on proposals at general meetings of shareholders was on a rising trend. Moreover, the Group's unique consulting services, such as evaluation of the effectiveness of the board of directors, introduction of a new executive compensation system utilizing stock (Restricted Stock, Performance Share) and independent outside director referral services, met clients' needs appropriately. As a result, entrustments with both existing and new clients were on a steady rise. The Group will expand and operate its unparalleled advisory services for corporate governance consulting that accurately reflect the opinions of institutional shareholders and legal advisers around the world by intensively utilizing its

management resources in Tokyo and New York.

We are also aware of rapidly increasing trends in business reorganization, M&As and fights for corporate control (voting rights), partly due to tax reform (the introduction of spin-off taxation). The Group's investment banking business is establishing a unique position that enables it to respond to clients' needs and steadily capture business opportunities. The Group's greatest strength lies in the area of M&As involving shareholders. In this regard, the Group has continued to accumulate an overwhelming track record in securing shareholder voting rights in fights for corporate control. In the financial market, our investment banking team comprising highly experienced consultants has provided cutting-edge M&A solutions by capitalizing on the Group's knowhow, cultivated from its rare status as an independent consulting firm, and close relationships of trust established with the listed companies that are the Group's clients through SR services. The Group will enhance and expand the investment banking business intensively so that accumulation of financial solution projects actually implemented by the Group's investment banking business will further raise the profile and reputation of "IR Japan as the reliable adviser for M&As as well."

In the stock transfer agency business, as of February 3, 2017, entrustments with 42 companies have been completed, and the number of shareholders under administration reached 227,254 (compared with entrustments concluded with 37 companies and 198,833 shareholders under administration in the same period of the previous fiscal year). Recognition of the Group's stock transfer agency business has increased as a result of our efforts for enhancing sales structures, including sending direct mails to targeted clients and conducting new sales activities by consultants in IR/SR Consulting division. The Group's overwhelming performance in proxy fights and in securing a quorum and affirmative votes at general meetings of shareholders is receiving high acclaim. The number of inquiries is gradually increasing, some leading to the conclusion of entrustments. We will further strive to achieve the expansion of the number of entrustments to over 50 companies at the earliest possible time. Meanwhile, we will continue to thoroughly enhance risk management of 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, integrated reports, and shareholder newsletters) and legal documentation services (the creation of a variety of disclosure documents in English and the translation of such documents from Japanese to English in connection with business reorganization and M&As).

Sales from Disclosure Consulting for the period under review declined 4.4% compared with the same period of the previous fiscal year. However, as a result of continuing to rigorously sort profitable entrustments, profitability has been stable. During the period under review, there was an increase in entrustments for the creation of integrated reports on the back of growing interest in ESG.

Databases and Other

Databases and Other provides web-based IR support services via IR-Pro, a comprehensive support system for corporate IR activities that provides information on shareholdings revealed through reports on the 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. IR Japan also operates the *Kabunushi-Hiroba*, a survey system for individual investors.

Sales from Databases and Other for the period under review decreased 0.4% compared with the same period of the previous fiscal year. During the period under review, the Group launched advisory services to provide support by utilizing the Group's databases and systems, which have been well-received.

3) Seasonal fluctuations

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

(2) Financial Position

1) Assets

Total assets as of December 31, 2016 decreased ¥349 million from the end of the previous fiscal year, to ¥3,637 million, due primarily to decreases in cash and deposits of ¥230 million and notes and accounts receivable—trade of ¥85 million as well as a decrease in non-current assets of ¥54 million resulting from depreciation.

2) Liabilities

Liabilities as of December 31, 2016 decreased ¥243 million from the end of the previous fiscal year, to ¥647 million, due primarily to a decrease in income taxes payable of ¥208 million.

3) Net assets

Net assets as of December 31, 2016 decreased ¥106 million from the end of the previous fiscal year, to ¥2,989 million, due primarily to a decrease of ¥300 million as a result of the purchase of treasury shares, an increase in retained earnings of ¥492 million from profit attributable to owners of parent and a decrease in retained earnings of ¥300 million as a result of payment of dividends.

(3) Forward-looking Statements Including Consolidated Results Forecast

1) Forecast for the fiscal year ending March 31, 2017

After taking into consideration the recent performance trends, the Company has decided to revise the forecast for consolidated operating results for the fiscal year ending March 31, 2017 that was disclosed on May 13, 2016 as follows. There will be no change in net sales from the initial forecast as they have been broadly in line with the plan. As for operating income, ordinary income and profit attributable to owners of parent, we will revise upward the initial forecast in accordance with the increase in the number of highly profitable projects in the investment banking business, such as proxy advisory and M&A projects, and revision of estimates of income taxes (the lowering of corporate tax rates and reduced accumulated earnings tax).

Revised forecast for consolidated operating results for the fiscal year ending March 31, 2017
(as of February 3, 2017)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Previously announced forecast (A)	3,800	900	900	514
Revised forecast (B)	3,800	1,000	1,000	650
Change (B–A)	—	100	100	136
Change (%)	—	11.1	11.1	26.5
(Reference) Results for the fiscal year ended March 31, 2016	3,469	780	779	445

The revised forecast for the fiscal year ending March 31, 2017 is based on reasonable grounds for calculation as of February 3, 2017.

2) Basic policy concerning the distribution of profits and dividend distributions for the fiscal year ending March 31, 2017

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, while a decision on year-end dividends is to be made at 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 ending March 31, 2017, the Company paid ¥15 per share as an interim dividend, an increase of ¥5 from the initial forecast. As for the year-end dividend, the Company was initially scheduled to pay ¥18 per share. However, in light of an increase in both revenues and profits during the nine months ended December 31, 2016 that achieved the best-ever results in net sales and profits, the Company has revised the dividend forecast for the fiscal year ending March 31, 2017 disclosed on

November 4, 2016 and increased the amount by ¥7 to ¥25 per share. As a result, the full-year dividend including the interim dividend will be ¥40 per share, an increase of ¥12 compared with the previous fiscal year. The Company would like to appropriate internal reserves for strategic investments for the reinforcement of existing businesses and for future growth business areas to increase its corporate value. The Company intends to remain flexible in light of performance trends and other factors.

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Forecast)
Dividend per share	20 yen	20 yen	28 yen	40 yen
Interim dividend	8 yen	8 yen	10 yen	15 yen
Year-end dividend	12 yen	12 yen	18 yen	25 yen
Dividend payout ratio	54.4%	50.8%	58.4%	55.0%

Note: Dividends up to and including the interim dividend for the fiscal year ended March 31, 2015 are the actual dividends paid by IR Japan, the Company's subsidiary, while the dividends including and after the year-end dividend for the fiscal year ended March 31, 2015 are actual dividends paid by the Company and dividend forecasts.

For details, please refer to "Announcement of Revision of Results Forecast for the Fiscal Year Ending March 31, 2017" and "Announcement of Revision of Dividend Forecast," which are disclosed separately. These releases are available in Japanese only.

2. Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

None applicable

(2) Application of Special Accounting Treatments in Preparing Consolidated Financial Statements

Calculation of tax expenses

The Company reasonably estimates an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year in which the third quarter of the fiscal year ending March 31, 2017 is included, and calculates tax expenses by multiplying quarterly profit before income taxes by the estimated effective tax rate.

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

None applicable

(4) Additional Information

Application of Revised Implementation Guidance on Recoverability of Deferred Tax Assets

Effective from the first quarter of the fiscal year ending March 31, 2017, the Company has adopted the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Thousands of yen)	
	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	1,849,252	1,619,036
Notes and accounts receivable—trade	860,517	775,353
Work in process	24,954	39,903
Other	140,077	143,662
Allowance for doubtful accounts	(3,733)	(1,100)
Total current assets	2,871,069	2,576,854
Non-current assets		
Property, plant and equipment	311,677	293,003
Intangible assets		
Software	457,781	436,149
Other	21,351	33,646
Total intangible assets	479,132	469,796
Investments and other assets		
Other	321,646	296,286
Allowance for doubtful accounts	(1,152)	(2,519)
Total investments and other assets	320,494	293,766
Total non-current assets	1,111,304	1,056,566
Deferred assets		
Deferred organization expenses	4,507	3,625
Total deferred assets	4,507	3,625
Total assets	3,986,881	3,637,047
Liabilities		
Current liabilities		
Accounts payable—trade	32,593	30,496
Short-term loans payable	100,000	100,000
Accounts payable—other	84,173	59,279
Income taxes payable	214,707	5,982
Provision for bonuses	76,032	38,016
Provision for directors' bonuses	3,000	—
Other	230,719	241,036
Total current liabilities	741,225	474,810
Non-current liabilities		
Net defined benefit liability	3,169	3,775
Provision for directors' retirement benefits	147,365	169,387
Total non-current liabilities	150,534	173,163
Total liabilities	891,760	647,973
Net assets		
Shareholders' equity		
Capital stock	795,803	795,803
Capital surplus	784,605	784,605
Retained earnings	1,514,926	1,707,557
Treasury shares	(125)	(300,819)
Total shareholders' equity	3,095,209	2,987,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(88)	1,926
Total accumulated other comprehensive income	(88)	1,926
Total net assets	3,095,121	2,989,073
Total liabilities and net assets	3,986,881	3,637,047

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income
For the Nine Months Ended December 31, 2016

	(Thousands of yen)	
	Nine Months of FY2015 (from April 1, 2015 to December 31, 2015)	Nine Months of FY2016 (from April 1, 2016 to December 31, 2016)
Net sales	2,582,440	2,927,887
Cost of sales	872,665	839,764
Gross profit	1,709,774	2,088,122
Selling, general and administrative expenses	1,198,630	1,281,178
Operating income	511,144	806,943
Non-operating income		
Interest income	330	80
Foreign exchange gains	—	80
Gain on forfeiture of unclaimed dividends	235	76
Referral fee	238	189
Other	160	343
Total non-operating income	965	770
Non-operating expenses		
Interest expenses	428	402
Loss on sales of notes payable	77	72
Foreign exchange losses	210	—
Amortization of deferred organization expenses	881	881
Commission for purchase of treasury shares	—	165
Total non-operating expenses	1,597	1,522
Ordinary income	510,512	806,192
Extraordinary losses		
Loss on retirement of non-current assets	1,574	—
Loss on valuation of golf club membership	—	9,500
Total extraordinary losses	1,574	9,500
Profit before income taxes	508,938	796,692
Income taxes	173,994	303,697
Profit	334,943	492,994
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	334,943	492,994

Consolidated Statements of Comprehensive Income
For the Nine Months Ended December 31, 2016

(Thousands of yen)

	Nine Months of FY2015 (from April 1, 2015 to December 31, 2015)	Nine Months of FY2016 (from April 1, 2016 to December 31, 2016)
Profit	334,943	492,994
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,174)	2,014
Total other comprehensive income	(11,174)	2,014
Comprehensive income	323,768	495,009
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	323,768	495,009
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Relating to the Consolidated Financial Statements

Notes relating to the going concern assumption

None applicable

Notes regarding significant changes in the amount of shareholders' equity

By the resolution at the Board of Directors' meeting held on May 13, 2016, the Company decided the acquisition of treasury shares along with specific procedures thereof, based on Paragraph 1, Article 459, of the Companies Act, as well as the provisions of the Company's Articles of Incorporation, and carried out such acquisition on May 16, 2016.

As a result, treasury shares increased ¥300 million in the nine months ended December 31, 2016, to ¥300 million as of December 31, 2016.

Segment information and others

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