

Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (J-GAAP)

May 14, 2018

Listed Company Name: IR Japan Holdings, Ltd.
 Securities Code: 6035
 Listing: Tokyo Stock Exchange URL: <http://www.irjapan.jp/>
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 Scheduled Annual General Meeting of Shareholders: June 26, 2018
 Scheduled Date to Start Dividend Payment: June 27, 2018
 Scheduled Date to Submit Securities Report: June 27, 2018
 Preparation of Results Briefing Materials: Yes
 Holding of Financial Results Briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen have been truncated)

1. Consolidated Financial Results (from April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	4,133	7.7	1,156	14.5	1,157	14.7	821	18.2
Year ended March 31, 2017	3,836	10.6	1,009	29.4	1,008	29.4	694	56.1

Note: Comprehensive income Year ended March 31, 2018: 821 million yen (18.1%)
 Year ended March 31, 2017: 696 million yen (56.2%)

	Profit per share—basic	Profit per share—diluted	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	92.31	—	24.2	27.4	28.0
Year ended March 31, 2017	77.73	—	22.1	25.8	26.3

Reference: Equity in earnings (losses) of affiliates Year ended March 31, 2018: — million yen
 Year ended March 31, 2017: — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	4,589	3,586	78.1	402.75
As of March 31, 2017	3,847	3,190	82.9	358.78

Reference: Shareholders' equity As of March 31, 2018: 3,586 million yen
 As of March 31, 2017: 3,190 million yen

(3) Consolidated 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, 2018	1,225	(459)	(344)	2,293
Year ended March 31, 2017	825	183	(600)	1,872

2. Dividends

	Full-year dividend					Total dividend amount (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	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, 2017	—	15.00	—	25.00	40.00	355	51.5	11.6
Fiscal year ended March 31, 2018	—	25.00	—	35.00	60.00	534	65.0	15.8
Fiscal year ending March 31, 2019 (Forecast)	—	25.00	—	35.00	60.00		60.2	

Note: The dividend sources at the end of the second quarter of the fiscal year ended March 31, 2017 include other capital surplus. For details, please refer to “Details of dividends paid from other capital surplus” described below.

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	—	—	—	—	—	—	—	—	—
Full year	4,600	11.3	1,300	12.4	1,300	12.3	888	8.1	99.71

Notes:

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) 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
- (3) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2018	9,291,955 shares
As of March 31, 2017	9,277,555 shares
 - 2) Number of treasury shares at the end of the period

As of March 31, 2018	386,282 shares
As of March 31, 2017	386,232 shares
 - 3) Average number of shares during the fiscal year

Year ended March 31, 2018	8,900,929 shares
Year ended March 31, 2017	8,938,953 shares

(Reference) Summary of Non-Consolidated Financial Results
 Non-Consolidated Financial Results (from April 1, 2017 to March 31, 2018)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	918	41.0	768	49.3	767	49.6	747	56.8
Year ended March 31, 2017	651	308.0	514	1,170.4	513	1,219.2	476	5,876.4

	Profit per share—basic	Profit per share—diluted
	Yen	Yen
Year ended March 31, 2018	83.99	—
Year ended March 31, 2017	53.33	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	3,173	2,828	89.1	317.62
As of March 31, 2017	2,643	2,505	94.8	281.82

Reference: Shareholders' equity As of March 31, 2018: 2,828 million yen

As of March 31, 2017: 2,505 million yen

The auditing procedure by a certified public accountant or an auditing firm does not apply to these Financial Results.

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 "1. Overview of Operating Results, etc. (4) Business Forecast for the Future" on page 10 of the attachment.

Details of dividends paid from other capital surplus

Of the dividends for the fiscal year ended 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 held a briefing for investors, as indicated below.

Financial results briefing for institutional investors and analysts: Monday, May 14, 2018

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2018

1) General overview

During the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018), in our core business of IR/SR Consulting, the requests for forecasting approval/disapproval at general meetings of shareholders and stably securing affirmative votes intensified. The trend followed the introduction of stringent standards for the exercise of voting rights for institutional shareholders in Japan and overseas and an increase in the number of activists, against the backdrop of rapidly increasing attention on ESG in global fund management. As a result, consulting services expanded for existing clients, while the number of new clients grew. Furthermore, net sales for the Group achieved a year-on-year increase of 7.7% due to steady growth of the investment banking business. Operating profit increased 14.5% year on year to ¥1,156 million and ordinary profit increased 14.7% year on year to ¥1,157 million while EBITDA increased 14.1% year on year to ¥1,389 million. These results reflected a steady accumulation of our track record not only in proxy advisory (PA) services, in which the Group has an absolute advantage, but also in financial advisory (FA) services in the highly profitable investment banking business. Profit attributable to owners of parent increased 18.2% year on year to ¥821 million. Consequently, both net sales and profits increased for four consecutive fiscal years and reached record highs.

(Millions of yen)

	Fiscal 2017 (April 2017 to March 2018)			Fiscal 2016 (April 2016 to March 2017)	
	Amount	Change	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	4,133	296	7.7	3,836	10.6
Operating profit	1,156	146	14.5	1,009	29.4
Ordinary profit	1,157	148	14.7	1,008	29.4
Profit attributable to owners of parent	821	126	18.2	694	56.1
(Reference) EBITDA	1,389	172	14.1	1,217	26.8

(Note) EBITDA: Ordinary Profit + Interest Expenses + Depreciation

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	Fiscal 2017 (April 2017 to March 2018)			Fiscal 2016 (April 2016 to March 2017)	
	Amount	Percentage of net sales	Percentage change (YoY)	Amount	Percentage change (YoY)
IR/SR Consulting	3,429	83.0	12.7	3,043	14.2
Disclosure Consulting sales	491	11.9	-11.7	556	-2.5
Databases and Other sales	213	5.1	-9.9	236	1.7
Total net sales	4,133	100.0	7.7	3,836	10.6

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 fiscal year under review, net sales from IR/SR Consulting increased 12.7% year on year.

Regarding the business environment during the fiscal year under review, the Nikkei Stock Average reached its highest level for the first time in about 26 years due to factors such as favorable global economic conditions, monetary easing and strong corporate results, leading to massive foreign capital inflows to the Japanese market. The foreign-shareholder ratio rose at listed Japanese companies, while a gradual unwinding of cross-shareholdings was carried out in accordance with the Corporate Governance Code and the Stewardship Code, causing a fall in the number of stable shareholders. As a result, the number of companies working to identify their own shareholders and voting structure increased. Questions arose in the market about the direction of corporate governance, in the wake of a series of

scandals involving Japanese companies, related to accounting, product quality, etc.

Against this background, attention has been paid to not only the accountability of companies but also the fiduciary responsibilities of institutional investors. Dialogues between companies and shareholders are now being increasingly required. As a result, demand has increased for shareholder/voting right identification surveys and support for the SR activities provided by the Group. Furthermore, the individual disclosure of voting results and collective engagement by institutional investors is underway in Japan, while rising stock prices and scandals at Japanese companies have prompted activists to step up their efforts. Owing to these moves, there has been renewed recognition of the need for the Group's distinctive and sophisticated services/consulting in activities for securing voting rights in dialogues with shareholders and at general meetings of shareholders.

In order to focus on high-quality consulting in response to the market environment and companies' needs, the Group added improvements to its shareholder/voting rights surveys to enhance its content, which led to the success in establishing a system that provides highly accurate surveys more swiftly. The Group also developed and released new products based on analytical tools using artificial intelligence (AI) and the results of analysis by AI. These moves are to enable measures that grasp in advance the risks involved at companies and those of external pressure from activists and others.

In governance consulting, investors are demanding evaluations of the effectiveness of boards of directors at a high level using a third party, in reaction to the situation where the evaluations entered their third year at many companies. The evaluations are also drawing attention as a means of verifying or preventing corporate scandals. Furthermore, the Group has already been developing new services that respond to revisions of the Corporate Governance Code from June 2018, such as verification of the value of shareholdings of other listed companies. A strong need for the Group's governance consulting services is also expected to continue.

In the investment banking business, the Group opened a new Investment Banking Office in January 2018 in Marunouchi, Tokyo. The new and powerful capabilities brought together into the new office, that can respond to various cases by adding professionals in the fields of accounting, legal affairs, etc., in addition to M&A and proxy practices, is starting to take effect. In addition to acting as a financial advisor (FA) for a large-scale M&A project that could lead to reorganization of the industry, there was an increase in the number of entrustments of FA services in projects involving control and a complex ownership structure that can leverage the Group's strengths. Through the accumulation of such a track record, the presence of the Investment Banking Department is growing among the Group's existing clients. Furthermore, the Group acquired J-Adviser qualification and also enhanced its access with unlisted companies, while M&A project pipeline for the next fiscal year also increased steadily. In proxy advisory services, evaluation of the Group's overwhelming track record further improved, resulting in an increase in entrustments from a wider range of clients, including founding families and major shareholder companies that are business partners.

In the stock transfer agency business, as of May 14, 2018, entrustments with 60 companies have been completed, and the number of shareholders under administration reached 288,528 (compared with entrustments concluded with 46 companies and 252,314 shareholders under administration in the same period of the previous fiscal year). The number of entrustments with newly listed and listed companies steadily increased during the fiscal year ended March 31, 2018, as a result of increased number of experienced personnel and a strengthened marketing structure. Also, we have been proceeding with making proposals once again to the Group's existing clients, by the promotion of synergies with other services such as shareholder identification surveys and the shareholder management system, in addition to the strengths of the Group's stock transfer agency business. 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 fiscal year under review declined 11.7% from the previous fiscal year due to an intensified competitive environment. Meanwhile, toward the next fiscal year, there have been increases in the provision of consulting utilizing the Group's knowledge from the viewpoint of institutional investors and in the preparation of integrated reports. This was due to growing interest in ESG and other non-financial information among investors and companies.

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 fiscal year under review decreased 9.9% from the previous fiscal year.

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) Overview of Financial Position for the Fiscal Year Ended March 31, 2018

(Assets)

Total assets of the Group as of March 31, 2018 increased ¥741 million from the end of the previous fiscal year, to ¥4,589 million, due primarily to increases in cash and deposits of ¥420 million, notes and accounts receivable—trade of ¥136 million, and non-current assets of ¥225 million mainly resulting from the opening of the Investment Banking Office (Marunouchi).

(Liabilities)

Total liabilities of the Group as of March 31, 2018 increased ¥345 million from the end of the previous fiscal year, to ¥1,003 million, due primarily to increases in short-term loans payable of ¥100 million and income taxes payable of ¥144 million.

(Net assets)

Net assets of the Group as of March 31, 2018 increased ¥396 million from the end of the previous fiscal year, to ¥3,586 million, due primarily to an increase in retained earnings of ¥821 million from profit and a decrease in retained earnings of ¥444 million as a result of payment of dividends.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2018

Cash and cash equivalents (hereinafter “net cash”) of the Group as of March 31, 2018 increased ¥420 million (up 22.5%) from the end of the previous fiscal year, to ¥2,293 million.

Cash flows from respective activities during the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥1,225 million (¥825 million in the previous fiscal year).

Major sources of cash inflow were profit before income taxes of ¥1,179 million, depreciation of ¥231 million, and income taxes refund of ¥83 million, while major sources of cash outflow were an increase in notes and accounts receivable—trade of ¥125 million and income taxes paid of ¥160 million.

Cash flows from investing activities

Net cash used in investing activities was ¥459 million (¥183 million cash inflow in the previous fiscal year).

Major sources of cash outflow were purchase of property, plant and equipment of ¥156 million, purchase of intangible assets of ¥200 million, and payments for lease and guarantee deposits of ¥134 million.

Cash flows from financing activities

Net cash used in financing activities was ¥344 million (¥600 million in the previous fiscal year).

Major source of cash inflow was an increase in short-term loans payable of ¥100 million, while major source of cash outflow was cash dividends paid of ¥444 million.

(Reference) Cash flow indicators

	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018
Equity ratio (%)	84.3	76.5	77.6	82.9	78.1
Equity ratio based on market capitalization (%)	374.1	256.1	164.5	298.3	470.7
Cash flows/interest-bearing debt ratio (%)	—	—	18.4	12.1	16.3
Interest coverage ratio (times)	3,139.1	—	866.8	1,542.8	1,318.9

(Note) 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 flows from operating activities

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

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

(4) Business Forecast for the Future

Forecast for consolidated operating results for the fiscal year ending March 31, 2019
(as of May 14, 2018)

(Millions of yen)

	Forecast Year ending March 31, 2019			Actual Year ended March 31, 2018	
	Amount	Amount change (YoY)	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	4,600	466	11.3	4,133	7.7
Operating profit	1,300	143	12.4	1,156	14.5
Ordinary profit	1,300	142	12.3	1,157	14.7
Profit attributable to owners of parent	888	66	8.1	821	18.2

The forecast for the fiscal year ending March 31, 2019 is based on reasonable grounds for calculation as of May 14, 2018.

As for net sales, the core SR-related services, IR/SR Consulting services including shareholder identification surveys, and the investment banking business related to proxy fights and M&As are primarily expected to contribute to revenue.

(5) Basic Policy Concerning the Distribution of Profits and Dividend Distributions for the Fiscal Year Ended March 31, 2018 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, 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.

The year-end dividend is ¥35 per share, an increase of ¥10, owing to increases in both net sales and profit for the fiscal year ended March 31, 2018. As a result, the full-year dividend is ¥60 per share, including the interim dividend of ¥25 per share. The dividend in the fiscal year ended March 31, 2018, rose for the third consecutive fiscal year.

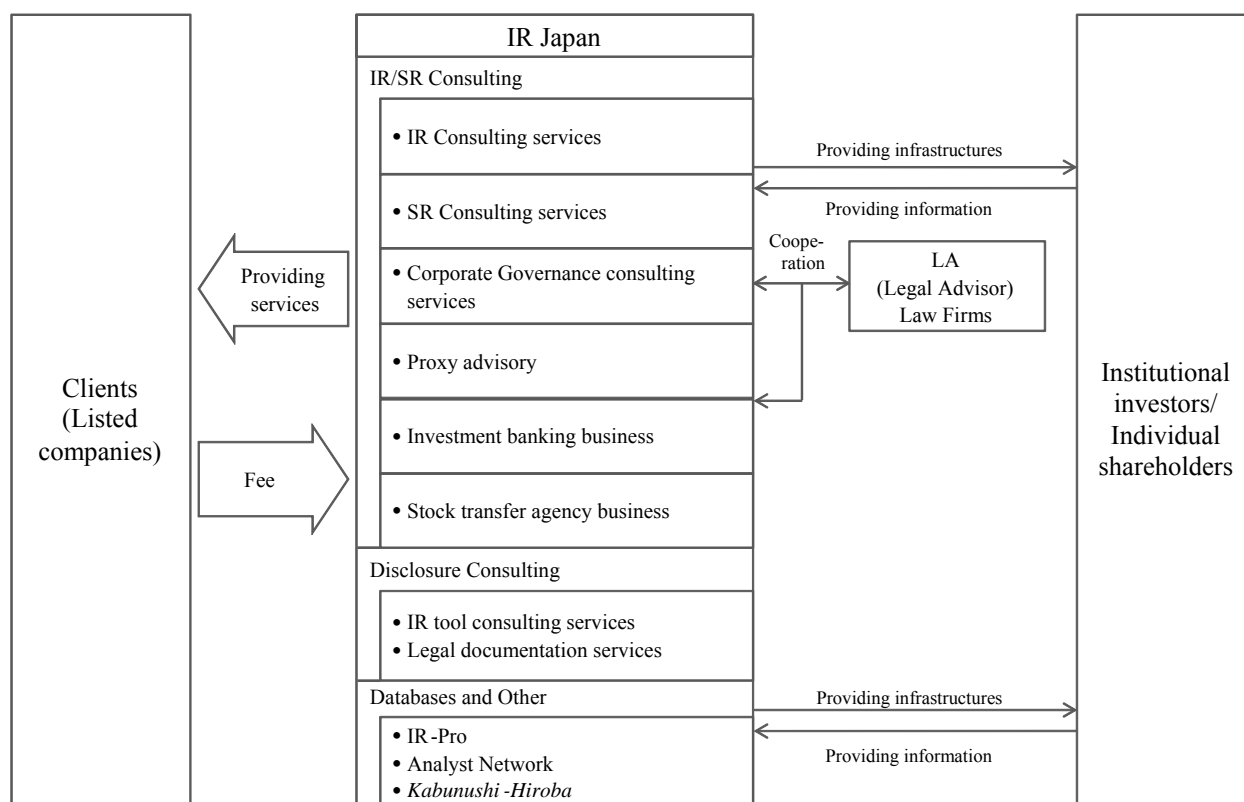
Moreover, the Company would like to appropriate the internal reserves for strategic investments for the reinforcement of existing businesses and for future growth business areas to increase its corporate value.

For the fiscal year ending March 31, 2019, the Company is currently scheduled to pay ¥25 per share as an interim dividend and ¥35 per share as a year-end dividend. However, the Company intends to remain flexible, including in the acquisition of treasury shares, in light of performance trends and other factors.

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ending March 31, 2019 (Forecast)
Dividend per share	28 yen	40 yen	60 yen	60 yen
Interim dividend	10 yen	15 yen	25 yen	25 yen
Year-end dividend	18 yen	25 yen	35 yen	35 yen
Dividend payout ratio	58.4%	51.5%	65.0%	60.2%

2. Corporate Group

The Group consists of the Company and a consolidated subsidiary (IR Japan, Inc., hereinafter “IR Japan”), and is developing businesses. The structure of the Group’s businesses is as follows.



IR Japan engages in consulting business specializing in IR/SR activities, which constitutes a single business segment. IR Japan regards IR (investor relations) activities as the activities of listed companies in relation to general investors, while SR (shareholder relations) activities as the activities of listed companies to strengthen relations with their shareholders.

IR Japan offers IR/SR Consulting, Disclosure Consulting, and Databases and Other services as comprehensive support for the IR/SR activities of listed companies, among others.

In order to provide these services, IR Japan uses its network of institutional investors encompassing fund managers, analysts, and voting-rights agents from 742 domestic companies and 8,081 companies overseas, as well as a network of 53,850 individual shareholders registered with the *Kabunushi-Hiroba*, a web-based questionnaire system (as of March 31, 2018), to collect daily information essential for providing consulting services in Japan and overseas. Furthermore, IR Japan not only collects information but also plays an intermediary role that links listed companies to investors and shareholders by communicating the views and needs of institutional investors and individual shareholders to the listed companies.

Furthermore, IR Japan offers assistance as a PA (proxy advisor) or a FA (financial advisor: investment banks) in cooperation with the LA (legal advisor: law firms) for critical situations such as proxy fights.

The Investment Banking Department launched in January 2014 is fully prepared through the enhancement of its organizational and operational structure, including recruitment of experienced personnel, to provide comprehensive financial solutions to listed companies, including financial advisory services such as those relating to M&As, management integration, and the acquisition of wholly owned subsidiaries, as well as to support unlisted companies to become listed on the TOKYO PRO Market through J-Adviser services.

3. Basic Approach to the Selection of Accounting Standards

The Group applies Japanese accounting standards, taking into account the comparability of consolidated financial statements among fiscal periods and among companies. With respect to the application of International Financial Reporting Standards (IFRS) and its application date, etc., the Group will give due consideration to this matter, taking into account our business circumstances both in Japan and overseas.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	1,907,420	2,328,254
Notes and accounts receivable—trade	610,149	746,829
Work in process	11,873	14,501
Prepaid expenses	75,260	100,877
Deferred tax assets	59,602	68,936
Other	93,294	17,263
Allowance for doubtful accounts	(807)	(2,251)
Total current assets	<u>2,756,793</u>	<u>3,274,411</u>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	196,342	285,812
Accumulated depreciation	(29,645)	(44,880)
Facilities attached to buildings, net	<u>166,696</u>	<u>240,932</u>
Tools, furniture and fixtures	226,040	292,595
Accumulated depreciation	(111,197)	(145,781)
Tools, furniture and fixtures, net	<u>114,843</u>	<u>146,814</u>
Total property, plant and equipment	<u>281,540</u>	<u>387,746</u>
Intangible assets		
Software	428,193	446,926
Other	21,357	21,480
Total intangible assets	<u>449,550</u>	<u>468,406</u>
Investments and other assets		
Investment securities	24,998	17,104
Lease and guarantee deposits	187,656	298,301
Long-term accounts receivable—trade	142,560	131,760
Deferred tax assets	64,128	72,601
Other	14,459	11,219
Allowance for doubtful accounts	(77,039)	(73,799)
Total investments and other assets	<u>356,763</u>	<u>457,188</u>
Total non-current assets	<u>1,087,853</u>	<u>1,313,341</u>
Deferred assets		
Deferred organization expenses	3,331	2,155
Total deferred assets	<u>3,331</u>	<u>2,155</u>
Total assets	<u>3,847,978</u>	<u>4,589,908</u>

(Thousands of yen)

As of March 31, 2017 As of March 31, 2018

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Accounts payable—trade	40,995	37,907
Short-term loans payable	100,000	200,000
Accounts payable—other	71,611	71,949
Accrued expenses	55,715	56,194
Income taxes payable	56,771	201,674
Advances received	27,472	41,115
Deposits received	110,182	187,882
Provision for bonuses	79,624	89,730
Provision for directors' bonuses	8,100	9,600
Other	52,466	49,732
Total current liabilities	602,938	945,785
Non-current liabilities		
Long-term accounts payable—other	—	51,294
Net defined benefit liability	3,743	6,057
Provision for directors' retirement benefits	51,294	—
Total non-current liabilities	55,037	57,351
Total liabilities	657,976	1,003,137
Net assets		
Shareholders' equity		
Capital stock	795,803	805,797
Capital surplus	784,605	794,599
Retained earnings	1,909,386	2,286,071
Treasury shares	(300,881)	(300,975)
Total shareholders' equity	3,188,914	3,585,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,087	1,279
Total accumulated other comprehensive income	1,087	1,279
Total net assets	3,190,001	3,586,771
Total liabilities and net assets	3,847,978	4,589,908

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	FY2016 (from April 1, 2016 to March 31, 2017)	FY2017 (from April 1, 2017 to March 31, 2018)
Net sales	3,836,904	4,133,898
Cost of sales	1,104,058	1,045,550
Gross profit	2,732,845	3,088,348
Selling, general and administrative expenses	1,722,940	1,931,643
Operating profit	1,009,905	1,156,705
Non-operating income		
Dividend income	121	148
Commission fee	—	1,325
Referral fee	189	—
Miscellaneous income	—	1,810
Other	834	294
Total non-operating income	1,145	3,579
Non-operating expenses		
Interest expenses	534	888
Foreign exchange losses	181	874
Amortization of deferred organization expenses	1,175	1,175
Other	240	186
Total non-operating expenses	2,133	3,125
Ordinary profit	1,008,918	1,157,159
Extraordinary income		
Gain on sales of investment securities	—	22,653
Reversal of provision for directors' retirement benefits	96,071	—
Total extraordinary income	96,071	22,653
Extraordinary losses		
Loss on valuation of golf club membership	9,300	—
Provision of allowance for doubtful accounts	71,280	—
Total extraordinary losses	80,580	—
Profit before income taxes	1,024,409	1,179,812
Income taxes—current	325,712	376,094
Income taxes—deferred	3,873	(17,892)
Total income taxes	329,585	358,201
Profit	694,823	821,610
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	694,823	821,610

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY2016 (from April 1, 2016 to March 31, 2017)	FY2017 (from April 1, 2017 to March 31, 2018)
Profit	694,823	821,610
Other comprehensive income		
Valuation difference on available-for-sale securities	1,176	191
Total other comprehensive income	1,176	191
Comprehensive income	696,000	821,802
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	696,000	821,802
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity
 FY2016 (from April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	795,803	784,605	1,514,926	(125)	3,095,209
Changes of items during period					
Dividends of surplus			(300,363)		(300,363)
Profit attributable to owners of parent			694,823		694,823
Purchase of treasury shares				(300,756)	(300,756)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	394,460	(300,756)	93,704
Balance at end of current period	795,803	784,605	1,909,386	(300,881)	3,188,914

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of current period	(88)	(88)	3,095,121
Changes of items during period			
Dividends of surplus			(300,363)
Profit attributable to owners of parent			694,823
Purchase of treasury shares			(300,756)
Net changes of items other than shareholders' equity	1,176	1,176	1,176
Total changes of items during period	1,176	1,176	94,880
Balance at end of current period	1,087	1,087	3,190,001

FY2017 (from April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	795,803	784,605	1,909,386	(300,881)	3,188,914
Changes of items during period					
Issuance of new shares	9,993	9,993			19,987
Dividends of surplus			(444,926)		(444,926)
Profit attributable to owners of parent			821,610		821,610
Purchase of treasury shares				(94)	(94)
Net changes of items other than shareholders' equity					
Total changes of items during period	9,993	9,993	376,684	(94)	396,577
Balance at end of current period	805,797	794,599	2,286,071	(300,975)	3,585,491

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of current period	1,087	1,087	3,190,001
Changes of items during period			
Issuance of new shares			19,987
Dividends of surplus			(444,926)
Profit attributable to owners of parent			821,610
Purchase of treasury shares			(94)
Net changes of items other than shareholders' equity	191	191	191
Total changes of items during period	191	191	396,769
Balance at end of current period	1,279	1,279	3,586,771

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2016 (from April 1, 2016 to March 31, 2017)	FY2017 (from April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	1,024,409	1,179,812
Depreciation	207,748	231,210
Share-based compensation expenses	—	16,353
Loss (gain) on sales of investment securities	—	(22,653)
Increase (decrease) in allowance for doubtful accounts	72,961	(1,795)
Increase (decrease) in provision for bonuses	3,592	10,105
Increase (decrease) in provision for directors' bonuses	5,100	1,500
Increase (decrease) in net defined benefit liability	574	2,313
Increase (decrease) in provision for directors' retirement benefits	(96,071)	—
Foreign exchange losses (gains)	71	1,159
Interest income	(84)	(9)
Interest expenses	534	888
Decrease (increase) in notes and accounts receivable—trade	107,808	(125,880)
Increase (decrease) in notes and accounts payable—trade	8,402	(3,087)
Increase (decrease) in accounts payable—other	5,441	672
Other, net	7,854	12,197
Subtotal	1,348,343	1,302,786
Interest and dividend income received	262	158
Interest expenses paid	(530)	(929)
Income taxes paid	(523,063)	(160,307)
Income taxes refund	—	83,974
Net cash provided by (used in) operating activities	825,012	1,225,682
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	350,000	—
Purchase of property, plant and equipment	(18,481)	(156,359)
Purchase of intangible assets	(147,551)	(200,171)
Payments for lease and guarantee deposits	—	(134,319)
Proceeds from collection of lease and guarantee deposits	—	1,000
Purchase of investment securities	—	(10,000)
Proceeds from sales of investment securities	—	40,823
Net cash provided by (used in) investing activities	183,967	(459,027)
Cash flows from financing activities		
Increase in short-term loans payable	—	100,000
Cash dividends paid	(299,995)	(444,710)
Purchase of treasury shares	(300,756)	(94)
Net cash provided by (used in) financing activities	(600,751)	(344,804)
Effect of exchange rate change on cash and cash equivalents	(60)	(1,016)
Net increase (decrease) in cash and cash equivalents	408,167	420,834
Cash and cash equivalents at beginning of period	1,464,252	1,872,420
Cash and cash equivalents at end of period	1,872,420	2,293,254

(5) Notes Relating to the Consolidated Financial Statements

Notes Relating to the Going Concern Assumption

None applicable

Significant Matters for the Basis of Preparation of the Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries and names of consolidated subsidiaries

Number of consolidated subsidiaries: 1

Name of consolidated subsidiary: IR Japan, Inc.

2. Fiscal year, etc., of consolidated subsidiaries

The closing date for the fiscal year of the consolidated subsidiary is the same as the consolidated closing date.

Additional Information

(Discontinuance of Directors' Retirement Benefits System)

The Company had accumulated a reserve to provide for payment of directors' retirement benefits based on the regulations regarding provision for directors' retirement benefits. The Board of Directors resolved at a meeting on March 16, 2017 to discontinue the directors' retirement benefits system, and the proposal regarding payment of termination benefits in conjunction with the discontinuance of directors' retirement benefits system was approved, as proposed, at the Annual General Meeting of Shareholders held on June 26, 2017.

As a result, the entire amount of "provision for directors' retirement benefits" has been reversed and the outstanding portion of the termination benefits has been posted as "long-term accounts payable—other" under non-current liabilities in the fiscal year under review.

Consolidated Statement 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 Consolidated Balance Sheet is as follows.

	(Thousands of yen)	
	Previous fiscal year (April 1, 2016 to March 31, 2017)	Current fiscal year (April 1, 2017 to March 31, 2018)
Cash and deposits	1,907,420	2,328,254
Time deposits with a maturity longer than three months	(35,000)	(35,000)
Cash and cash equivalents	1,872,420	2,293,254

Segment Information

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

Per Share Information

	Previous fiscal year (April 1, 2016 to March 31, 2017)	Current fiscal year (April 1, 2017 to March 31, 2018)
Net assets per share	¥358.78	¥402.75
Profit per share—basic	¥77.73	¥92.31

Notes: 1. Profit per share—diluted is not stated as there were no residual shares.

2. The basis for the calculation of profit per share—basic is as follows.

Item	Previous fiscal year (April 1, 2016 to March 31, 2017)	Current fiscal year (April 1, 2017 to March 31, 2018)
Profit attributable to owners of parent (Thousands of yen)	694,823	821,610
Profit not available to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to shares of common stock (Thousands of yen)	694,823	821,610
Weighted average number of shares of common stock during the fiscal year (Shares)	8,938,953	8,900,929

Significant Subsequent Events

None applicable

5. Other

(1) Changes in Directors (Excluding Directors who are Audit and Supervisory Committee Members)

1) New candidate

Director
Yutaka Minagawa

Currently Unit chief of the Financial Unit of the company
Currently Senior General Manager of Operation Division of IR Japan, Inc.

(2) Changes in Directors who are Audit and Supervisory Committee Members

1) New candidate

Director/Audit and Supervisory Committee Member (outside)
Takanobu Yasunaga

Former Director, Corporate System Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry

2) Person scheduled to retire

Director/Audit and Supervisory Committee Member
Keisuke Tomimatsu

* The new candidates are scheduled to be officially appointed at the 4th Annual General Meeting of Shareholders held on June 26, 2018.