

Your Capital Market Intelligence

IR Japan

株主と企業を結ぶコンサルティング・パートナー



Consolidated Financial Results

FY2018 1Q (April 1 2018 – June 30 2018)

July 31 2018

IR Japan Holdings, Ltd. (6035)

IR Japan Holdings, Ltd.

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I . FY2018 1Q Consolidated Financial Results

Summary : Consolidated Financial Results for the Three Months Ended June 30, 2018

	Three Months Ended June 30, 2018 (April to June 2018)			FY2017 (April to June 2017)
	Amount (Millions of yen)	Change (Millions of yen)	Percentage change (YoY)	Amount (Millions of yen)
Net Sales	1,387	236	20.5	1,151
Operating profit	559	74	15.3	485
Ordinary profit	577	91	18.8	486
Profit attributable to owners of parent	393	63	19.3	329
(Reference) EBITDA※	636	95	17.6	541

※ EBITDA : Ordinary profit + Interest expenses + Accumulated depreciation

✓ We have provided more SR Consulting services typified by Shareholder Identification and our services related to shareholders' meetings, as well as more financial advisory services in investment banking division. These have contributed to increase in net sales by 20.5% compared with the same period last year, which reached record-high first quarter net sales.

Summary : Consolidated Financial Results by Type of Services for the Three Months Ended June 30, 2018

	Three Months Ended June 30, 2018 (April to June 2018)			FY2017 (April to June 2017)
	Amount (Millions of yen)	Percentage of net sales (%)	Percentage Change (YoY)	Amount (Millions of yen)
IR/SR Consulting	1,237	89.2	23.2	1,005
Disclosure Consulting Sales	98	7.1	6.0	92
Databases and Other sales	51	3.7	-4.5	53

Highlights : Consolidated Financial Results for the Three Months Ended June 30, 2018

1. SR (Shareholder Relations) Consulting

- Not only the increase in activists' movements and stricter standards in institutional investors' voting guidelines, but also the increase in corporate scandals have led to providing more services related to shareholders' meetings and proxy voting
- Our accurate and high-quality Shareholder Identification services are widely recognized as competitive advantage in contested situations where companies or other parties seek controlling interest in them, as well as the situations where companies seek exemption from SEC regulation in United States

2. Corporate Governance Consulting

- Listed companies' higher demand for independent outside directors due to institutional investors' stricter voting guidelines on independence has contributed to providing more services
- More governance consulting services are provided to address the Revised Corporate Governance Code in June

3. Investment Banking Business

- Increase in the number of shareholder proposals and activist funds in Japan has contributed to more proxy advisory services ⇒ all the proposals in shareholders' meetings we have supported were approved
- Advisory services related to TOB for repurchase of treasury shares, M&A services, and more financial advisory services in contested situations where companies or other parties seek controlling interest in them

4. Disclosure Consulting Business

- Increase in the number of investors who put more importance on non-financial information has contributed to disclosure consulting services related to ESG information as well as to supporting the preparation of integrated reports

5. Transfer Agency Business

- Number of entrustments with companies : 69 (Last year : 48)
- Number of shareholders under administration : 315,132 (Last year : 242,875)

Forecast for Financial Results (as of May 14, 2018)

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

	Forecast (FY2018)	Actual (FY2017)	Change (Millions of yen)	Percentage change (YoY)
	Amount (Millions of yen)	Amount (Millions of yen)		
Net sales	4,600	4,133	466	11.3
Operating Profit	1,300	1,156	143	12.4
Ordinary Profit	1,300	1,157	142	12.3
Profit attributable to owners of parent	888	821	66	8.1

The Company will conduct a **2-for-1 stock split for its common shares** on August 31, 2018 as a record date, and it aims to enlarge the Company's investor base and to enhance the liquidity of the Company's shares by reducing the investment unit of the Company's shares and by further improving the environment for a broader investor to invest in the Company's shares.

◆ Increase in number of shares as a result of the split

Number of outstanding shares prior to the split	9,298,655 shares
Increase in number of shares as a result of the split	9,298,655 shares
Number of outstanding shares after the split	18,597,310 shares
Number of shares authorized to be issued after the split	70,000,000 shares

◆ Amendment of Articles of Incorporation regarding shares authorized to be issued

Current Articles of Incorporation	Amended Articles of Incorporation
(Number of shares authorized to be issued) Article 6 The total number of shares authorized to be issued by the company shall be <u>thirty five million (35,000,000)</u> shares.	(Number of shares authorized to be issued) Article 6 The total number of shares authorized to be issued by the company shall be <u>seventy million (70,000,000)</u> shares.

※ Amendments are underlined

◆ Stock Split Schedule

Public notice of record date	August 8, 2018, Wednesday
Record Date	August 31, 2018, Friday
Effective Date	September 1, 2018, Saturday

Forecast for FY2018 annual dividend (as of July 31, 2018)

The interim dividend for FY2018 is scheduled to be ¥12.5, and year-end dividend is scheduled to be ¥17.5.

There is no substantive change in forecasted dividend per share announced on May 14, 2018.

Including repurchasing shares, the Company will flexibly implement our capital policy in consideration of the trend of business results.

Transition in Dividend per Share

	Interim	Year-end	Annual	Payout ratio
Forecast (FY2018) (after taking the stock split into account)	12.5 yen	17.5 yen	30 yen	60.2%
Forecast (FY2018) (before taking the stock split into account)	25 yen	35 yen	60 yen	60.2%
Actual (FY2017)	25 yen	35 yen	60 yen	65.0%
Actual (FY2016)	15 yen	25 yen	40 yen	51.5%

※ The amount for FY2016, FY2017 shown above is the number before taking the stock split into account.

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