

Power of Equity

IR Japan



# **Consolidated Financial Results**

## **FY2018 2Q (July 1 2018 – September 30 2018)**

**November 2, 2018**

**IR Japan Holdings, Ltd. (6035)**

# IR Japan Holdings, Ltd.



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# I . FY2018 2Q Consolidated Financial Results

# Summary : Consolidated Financial Results for the Six Months Ended September 30, 2018

	Six Months Ended September 30, 2018 (April to September 2018)			FY2017 (April to September 2017)
	Amount (Millions of yen)	Change (Millions of yen)	Percentage change (YoY)	Amount (Millions of yen)
Net Sales	2,560	298	13.2	2,262
Operating profit	863	63	7.9	800
Ordinary profit	879	78	9.8	801
Profit attributable to owners of parent	599	58	10.9	540
(Reference) EBITDA <sup>※</sup>	998	84	9.2	914

※ EBITDA : Ordinary profit + Interest expenses + Accumulated depreciation

✓ Institutional investors have focused on ESG and also strictly exercised proxy voting rights. Additionally, activists' campaigns have surged in Japanese market. Our group's comprehensive consulting services, adapting to the changes of the capital market, such as IR/SR consulting, investment banking and transfer agent services have been highly evaluated by our existing and new clients. As a result, net sales posted record highs for both consolidated and non-consolidated financial results (second quarter)

# Summary : Consolidated Financial Results by Type of Services for the Six Months Ended September 30, 2018

	Six Months Ended September 30, 2018 (April to September 2018)			FY2017 (April to September 2017)
	Amount (Millions of yen)	Percentage of net sales (%)	Percentage Change (YoY)	Amount (Millions of yen)
IR/SR Consulting	2,097	81.9	14.2	1,837
Disclosure Consulting Sales	368	14.4	14.2	322
Databases and Other sales	94	3.7	▲7.4	102

# Highlights : Consolidated Financial Results for the Six Months Ended September 30, 2018

## 1. SR (Shareholder Relations) Consulting

- Institutional investors' strict voting guidelines and “the reduction of cross-shareholdings” in revised Japanese Corporate Governance Code have led to providing more services related to securing voting rights at shareholders' meetings
- The increase in activists' movements have led to more shareholder identification services and also more risk analysis services making use of AI (Artificial Intelligence)

## 2. Corporate Governance Consulting

- Diversity in board of directors and role of outside directors are gaining attention and we provided more Outside Director (Independent Director) Placement Services
- 4 years have passed since companies conducted board evaluation internally for the first time, and we provided board evaluation services as a third-party expert

## 3. Investment Banking Business

- Our Investment Banking Business is gaining wider recognition by existing clients, and we have provided more financial advisory services related to M&A business succession and to stock transfer by large shareholder
- Certified as a J-Adviser as of last December, we have completed first project this year

## 4. Disclosure Consulting Business

- Institutional Investors have focused on ESG when evaluating companies, and our consulting services related to ESG disclosures have increased

## 5. Transfer Agency Business

- Number of entrustments with companies : 76 (Last year : 49)
- Number of shareholders under administration : 333,382 (Last year : 265,807)

## Forecast for Financial Results (as of November 2, 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

## Forecast for FY2018 annual dividend (as of November 2, 2018)



The Company increased the interim dividend by ¥2.5 to ¥15 per share due to the increase in net sales and profits for the second quarter while the Company forecasted ¥12.5 for interim dividend. Therefore, forecasted annual dividend is ¥32.5. 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) (As of November 2, 2018)	15 yen	17.5 yen	32.5 yen	65.2%
Forecast (FY2018) (As of May 14, 2018)	12.5 yen	17.5 yen	30 yen	60.2%
Actual (FY2017) ※	25 yen	35 yen	60 yen	65.0%
Actual (FY2016) ※	15 yen	25 yen	40 yen	51.5%

※ The Company carried out 2-for-1 stock split for its common shares on August 31, 2018, and the amount on FY2017 and FY2016 shown above is before taking the stock split into account.



## Cancellation of Treasury Shares

The Company resolved to cancel its treasury shares to improve capital efficiency and to promote shareholders' interests.

Number of outstanding shares after cancelling the treasury shares is 17,824,522.

<b>Type of Shares</b>	<b>Common Shares</b>
<b>Number of Shares to be cancelled</b>	<b>772,788 shares (4.15% of the outstanding shares before cancellation)</b>
<b>Date of Cancellation</b>	<b>November 30, 2018</b>

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