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For Immediate Release

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Earnings Forecast for Fiscal Year 2010

IR Japan, Inc. (“IR Japan”) today announced its earnings forecast for the fiscal year 2010 (April 1, 2010 – March 31, 2011), as follows.

[Full year, non-consolidated]

(Units: million yen; %)

Items	Period	FY2010 (Forecast)		FY2009 (Actual)		FY2010 (Actual, Q1 – Q3)		
		%	YoY (%)		%		%	
Net sales		2,480	100.0	+1.1	2,454	100.0	2,114	100.0
Operating income		411	16.6	+52.0	270	11.0	483	22.9
Ordinary income		416	16.8	+30.1	319	13.0	501	23.7
Net income		182	7.4	+31.6	138	5.6	259	12.3
Net income per share (yen)		124.21		18,973.23 (94.87)		177.85		
Dividend per share (yen)		25.00		—		—		

Notes:

- 1 Consolidated financial statements are not prepared.
- 2 Net income per share for the fiscal year 2009 (actual) and for the three quarters ended December 2010 (actual) are calculated based on the average number of shares issued and outstanding during the period.
- 3 A 200-for-1 stock split was carried out on October 4, 2010. The figure shown in parenthesis is a retroactive calculation for comparison purposes, to reflect the effect of the stock split if it had been carried out in the previous fiscal year.
- 4 Net income per share for the fiscal year 2010 (forecast) is calculated based on the average number of shares outstanding during the period (forecast), including the shares of a planned public offering (190,000 shares) but not including the portion that may be privately placed as a result of over-allotment (maximum of 57,000 shares).

Please note that this document is an unofficial English translation of the Japanese original text, which has been prepared for the sole purpose of publicly announcing the Company's information. This press release is not an offer to sell or a solicitation of any offer to buy the securities of IR Japan, Inc. We, therefore, caution readers to refer to the Company's prospectus and notice of amendments thereto and to undertake investment decisions subject to individual determination.

- 5 On April 1, 2008, IR Japan carried out an absorption-type merger with the former IR Japan, Inc., under which IR Japan changed its corporate name to IR Japan, Inc., took over all of the assets, liabilities, claims, and obligations of the former IR Japan, Inc., and became the successor entity for its entire operating activities. As part of this process, goodwill was recorded in the amount of ¥427 million, to be written down in equal amounts over the five years to the fiscal year ending March 2013. This had the effect of reducing net income in each of the periods to the fiscal year ending March 2013 by ¥85 million, compared with the amount of net income that would have been recorded had this goodwill not existed.

[Assumptions underlying earnings forecast for fiscal year 2010]

General outlook

Japan's economic environment is showing a gradual recovery during the fiscal year 2010, with improved corporate earnings and an upturn in capital investment, but nevertheless the economy remains basically stagnant and the outlook uncertain.

Against this backdrop, IR Japan's earnings have been affected by the revision and implementation of the Cabinet Office Ordinance concerning Disclosure of Corporate Affairs, etc., effective March 31, 2010. The revision requires the submission of extraordinary reports containing the results of resolutions approved by general meetings of shareholders of listed companies. This establishes an obligation to disclose the voting results, including the percentage of votes for and against, and this is seen as drawing greater attention of shareholders.

Many listed companies, which constitute our customer base, are increasingly becoming even more cautious in their operations pertaining to general meetings of shareholders, and we anticipate an increase in demand for IR Japan's consulting services to secure the affirmative votes of shareholders.

(a) Net sales

We are forecasting a 1.1% increase from the previous fiscal year, to ¥2,480 million, in net sales.

(b) Cost of sales, gross profit

We are forecasting a 7.8% reduction in the cost of sales, to ¥980 million, on lower personnel expenses through headcount reductions, associated with greater operational efficiency.

(c) Selling, general and administrative expenses

Selling, general and administrative expenses are seen declining 2.8%, to ¥1,089 million, on lower personnel expenses through headcount reductions, associated with greater operational efficiency.

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(d) Operating income

As a result of the above, we are forecasting a 52.0% increase, to ¥411 million, in operating income.

(e) Non-operating income and expenses

Our forecast for non-operating income includes ¥15 million in gain on maturity of insurance contract, ¥4 million in gain on donations of investment securities, and a ¥4 million foreign exchange gains. Anticipated non-operating expenses include interest expenses of ¥5 million, and ¥15 million in expenses related to our stock listing.

(f) Ordinary income

As a result of the above, we are forecasting a 30.1% increase in ordinary income, to ¥416 million.

(g) Extraordinary expense

An extraordinary expense in the amount of ¥33 million is forecast from the application of an accounting standard for asset retirement obligations.

(h) Net income

With projected income tax payments totaling ¥201 million, we are forecasting a 31.6% increase in net income, to ¥182 million. Because of the recording of goodwill noted above, the amount of income tax is greater than the amount calculated by multiplying IR Japan's legal effective tax rate of 40.69%.

End of release

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