

Securities Code: 6035

June 2, 2016

To our shareholders:

IR Japan Holdings, Ltd.

2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo

Shirou Terashita

Representative Director, President and Chief Executive Officer

NOTICE OF THE 2ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 2nd Annual General Meeting of Shareholders of IR Japan Holdings, Ltd. (“the Company”), to be held as stated below.

If you are unable to attend on the day of the meeting, you may exercise your voting rights in either one of the ways explained below. Please exercise your voting rights by no later than 5 p.m. (the close of the Company’s business hours) on Thursday, June 23, 2016, after reviewing the attached Reference Documents for the General Meeting of Shareholders.

[Exercise of voting rights via postal mail]

Indicate your approval or disapproval of the proposals in the enclosed Exercise of Voting Rights Form and return the form to the Company so that it arrives no later than the deadline indicated above.

[Exercise of voting rights via electromagnetic methods (the Internet)]

Access the voting website designated by the Company (<https://www.net-vote.com/>) as indicated in the enclosed Exercise of Voting Rights Form, follow the instructions on the screen, and indicate your approval or disapproval of the proposals by the deadline indicated above. (For details, please see page 3.)

1. Date and Time: 10 a.m., Friday, June 24, 2016

2. Place: Conference room of the Company’s head office, 26th floor,
Kasumigaseki Building, 2-5, Kasumigaseki 3-chome, Chiyoda-ku,
Tokyo

3. Agenda:

- Matters to Be Reported:
1. Business Report, Consolidated Financial Statements and audit results of the Consolidated Financial Statements by the accounting auditor and the Audit and Supervisory Committee for the 2nd fiscal year, from April 1, 2015 to March 31, 2016
 2. Non-Consolidated Financial Statements for the 2nd fiscal year, from April 1, 2015 to March 31, 2016

Matters to Be Resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

4. Information on the Exercise of Voting Rights

- (1) If you indicate neither your approval nor disapproval of the proposal(s) on the Exercise of Voting Rights Form sent via postal mail, it will be deemed that you indicated your approval of the proposal(s).
- (2) If you exercise your voting rights more than once in writing, the Company will regard the last vote received as valid.
- (3) If you exercise your voting rights redundantly via the Internet and in writing, the Company will regard the vote exercised via the Internet as valid.
- (4) If you exercise your voting rights more than once via the Internet, the Company will regard the last vote as valid.

-
1. Attendees are kindly requested to submit their Exercise of Voting Rights Form to the receptionist on the day of the meeting.
 2. The following items are posted on the Company's website (<http://www.irjapan.jp/>) in accordance with the relevant laws and regulations and the Articles of Incorporation of the Company, and are thus not included in the attachment. Accordingly, the attachment of this Notice is part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the accounting auditor in preparing the Accounting Auditor's Report and by the Audit and Supervisory Committee in preparing the Audit and Supervisory Committee's Report.
 - (1) Notes to the Consolidated Financial Statements
 - (2) Notes to the Non-Consolidated Financial Statements
 3. Any amendments to Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders will be disclosed on the Company's website (<http://www.irjapan.jp/>).
 4. The Company participates in the "Electronic Voting Platform for Institutional Investors" operated by ICJ, Inc.

Notes on the Exercise of Voting Rights via the Internet

If you exercise your voting rights via the Internet, please confirm the following beforehand.

- 1 You may exercise your voting rights via the Internet only by accessing the following voting website designated by the Company. The site may also be accessed by a smartphone, tablet device or mobile phone. (However, it may not be possible to access the site by certain Internet browsers or certain models of smartphones, tablet devices or mobile phones.)
URL of voting website: <https://www.net-vote.com/>
- 2 When exercising your voting rights, enter the “Login ID” and “Password” that are written on your Exercise of Voting Rights Form, and follow the instructions on the screen to enter your approval or disapproval.
- 3 Costs incurred in accessing the voting website (such as Internet connection charges and other communication charges) are to be borne by the shareholder.

Inquiries Concerning the Exercise of Voting Rights via the Internet

For inquiries concerning the exercise of voting rights via the Internet, please contact the following.

Transfer Agency Services Department, IR Japan, Inc.

Phone: 0120-975-960 (toll free in Japan)

Business hours: 9 a.m. to 5 p.m. (excluding Saturdays, Sundays and holidays)

Reference Documents for the General Meeting of Shareholders

Proposals and Related Information

Proposal 1: Appropriation of Surplus

Appropriation of surplus for the fiscal year ended March 31, 2016 is proposed as follows. The Company makes it a basic policy to distribute profits to its shareholders according to its business results, while maintaining its financial strength by securing sufficient internal reserves to carry out sound business operations.

In line with this policy, the Company proposes the following year-end dividend for the fiscal year under review.

1. Proposed year-end dividend:
 - 1) Type of dividends:
Money
 - 2) Distribution of dividends and the aggregate amount:
¥18.00 per share of the Company's common shares
Aggregate dividend amount: ¥166,992,714
 - 3) Effective date for the distribution of surplus:
June 27, 2016

The source of dividends will be other capital surplus.

Proposal 2: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of all two (2) directors (excluding directors who are audit and supervisory committee members; the same shall apply hereinafter in this proposal) will expire at the close of this General Meeting of Shareholders. The Company therefore proposes to elect two (2) directors.

The nominees for the position of director are as follows.

No.	Name (Date of birth)	Career, positions, responsibilities and significant representation of other entities	Number of the Company's shares held
1	Shirou Terashita (January 5, 1959)	<p>November 1982 Joined AIA, Inc. (currently THE IR Corporation)</p> <p>October 1997 Joined IR Japan, Inc. (the former IR Japan, Inc.)</p> <p>January 2001 Executive Officer</p> <p>September 2004 Member of the “Corporate Value Study Group” of the Ministry of Economy, Trade and Industry (current)</p> <p>June 2006 Director and Senior Managing Director of IR Japan, Inc. (the former IR Japan, Inc.)</p> <p>April 2007 Director and Executive Vice President</p> <p>October 2007 Representative Director and President of IR Japan Holdings, Inc. (currently IR Japan, Inc.)</p> <p>December 2007 Representative Director and President of IR Japan, Inc. (the former IR Japan, Inc.)</p> <p>April 2008 Representative Director, President and Chief Executive Officer (current)</p> <p>March 2012 Member of the Study Group on Ideal Corporate Governance System at the Ministry of Economy, Trade and Industry (current)</p> <p>July 2013 Senior General Manager of Stock Solution Department of IR Japan, Inc.</p> <p>February 2015 Representative Director, President and Chief Executive Officer of the Company (current)</p>	5,797,000
2	Takuji Kurio (June 17, 1966)	<p>April 1990 Joined Nomura Securities Co., Ltd.</p> <p>April 2010 Managing Director of Osaka Corporate Finance Dept. II of the above company</p> <p>July 2012 Managing Director of Corporate Finance Dept. III of the above company</p> <p>April 2013 Joined IR Japan, Inc. as Managing Director</p> <p>June 2013 Representative Director, Executive Vice President and Chief Operating Officer (current)</p> <p>November 2013 Senior General Manager of Investment Banking Department (current)</p> <p>February 2015 Representative Director, Executive Vice President and Chief Operating Officer of the Company (current)</p>	1,600

Note: There are no significant conflicts of interest between any of the nominees and the Company.

(Attachment)

Business Report

(From April 1, 2015 to March 31, 2016)

1. Matters Concerning the Current Status of the Corporate Group

(1) Business developments and results

(Millions of yen)

	Fiscal 2015 (April 2015 to March 2016)		Fiscal 2014 (April 2014 to March 2015)	
	Amount	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	3,469	8.1	3,209	0.5
Operating income	780	42.0	549	-12.3
Ordinary income	779	41.4	551	-1.6
Profit attribute to owners of parent	445	21.8	365	8.6

During the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016), the Group achieved its best-ever results, thanks to an increase in net sales by 8.1% year on year. Operating income and ordinary income reached record highs, registering significant year-on-year increases of 42.0% and 41.4%, respectively. This was attributable to the steady growth of profitable projects such as those related to the investment banking business from the fourth quarter of the fiscal year under review, as well as the enhanced average profitability of all projects in the core IR/SR Consulting, supported by a limited increase of 8.6% in selling, general and administrative expenses as part of fixed expenses. Meanwhile, profit attributable to owners of parent increased 21.8% year on year due primarily to the impact of posting a loss on valuation of investment securities.

The Group is engaged in 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)

	Fiscal 2015 (April 2015 to March 2016)			Fiscal 2014 (April 2014 to March 2015)	
	Net sales	Percentage of net sales	YoY change (%)	Net sales	YoY change (%)
IR/SR Consulting	2,665	76.8	11.4	2,392	0.9
Disclosure Consulting	571	16.5	-1.3	578	-0.9
Databases and Other	232	6.7	-2.6	238	0.5
Total net sales	3,469	100.0	8.1	3,209	0.5

1) 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 11.4% year on year. As the Corporate Governance Code is being fully implemented at listed companies, the Group's clients, our core business of IR/SR Consulting remained strong. The SR-related business, including shareholder identification surveys and arranging SR visits in Japan and abroad, grew remarkably, as an increasing number of companies conduct SR visits to promote dialogue with shareholders holding voting rights, in addition to conventional IR activities. Additionally, as ISS, a proxy advisory firm, announced a 5% ROE threshold along with intensifying actions by activists, we saw increases in requests for proxy voting simulation, promotion of exercise of voting rights and proxy voting results analysis from companies concerned with the risks of having proposals rejected at the general meeting of shareholders.

During the fourth quarter of the fiscal year under review, we saw favorable sales of DSMS (Digital Shareholder Management System) providing centralized management of institutional and individual shareholders by using cloud data base, which is constantly gaining popularity primarily among large companies with greater market capitalization and higher ratio of foreign investors.

The business of evaluating boards of directors which got into full swing in the third quarter of the fiscal year under review, has further accelerated in the fourth quarter, and we expect to continue accumulating a favorable track record and know-how in this business, capitalizing on the Group's special advantage of having in-depth insight into the needs of overseas institutional shareholders. As for executive compensation, now that companies in Japan will be able to introduce share-based compensation including restricted stock and performance shares, we have started to provide cutting edge consulting that meets client needs. Such corporate governance-related consulting is a new business to the Group, and we believe we have excellent chance to develop professional personnel and streamlined operations by organizing a project team aiming at an earlier start-up for centralized accumulation of experience and know-how.

In the investment banking business, the enhancement of our organization and services has captured business opportunities on a timely basis, resulting in a significant increase in the entrustments for the profitable projects involving businesses, such as M&As and proxy fights, from the fourth quarter of the fiscal year under review. Amid intensifying activities by activists in Japan as well as overseas, we expect further expansion of the investment banking business. The Group will further reinforce our investment banking professionals and accelerate the expansion of entrustments through providing full-package services by capitalizing on its track record and performance unparalleled among its peers.

In the stock transfer agency business, as of May 13, 2016, entrustments with 40 companies have been completed, and the number of shareholders under administration reached 197,453 (compared with entrustments concluded with 36 companies and 176,219 shareholders under administration in the previous fiscal year). As a way of capturing new clients, we have been diversifying our sales methods, including acting as an IPO advisor to companies that are planning to go public by providing integrated comprehensive services both before and after the IPO, in addition to the stock transfer agency services. Recently, we experienced a reassuring case in which we successfully gained entrustments in the stock transfer agency services, drawing on the client's appreciation of the Group's strength in critical situations such as proxy fights, capable of accurate and speedy shareholder identification survey. Encouraged by this example, we will strive to utilize the Group's integrated capabilities towards achieving the expansion of the number of entrustments to over 50 companies at the earliest possible time.

2) 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, shareholder newsletters, and integrated reports) 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 or M&As).

Sales from Disclosure Consulting for the fiscal year under review declined 1.3% from the previous fiscal year, but profitability has improved due to the policy to accept cases by rigorously sorting profitable entrustments and those less profitable due to higher outsourcing ratio. Although there was a decline in the entrustments for English translation services for notice of convocation, etc., we saw an increase in SR-related services such as entrustments for the creation of annual reports and shareholder newsletters, etc.

3) 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 2.6% from the previous fiscal year. Analyst Network services, which utilize analyst databases held by the Group to distribute corporate information, information from explanatory meetings, among others, performed strongly, while sales from shareholder survey services, etc. declined.

(2) Capital investment

Capital investment in the fiscal year ended March 31, 2016, totaled ¥169 million. This included the following.

Invested in	Amount of investment (Millions of yen)
Constructing systems related to shareholder databases	133

(3) Funding activities

None applicable.

(4) Issues to be addressed

The Group will continue its concerted efforts to achieve the long-term goal of “being an advanced provider of comprehensive solutions in the capital markets,” under the corporate philosophy of “enhancing clients’ capital competitiveness and the growth of the global capital economy.” With regard to future business development, the revision of related laws and regulations and growing awareness of IR/SR activities among listed companies are expected to increase demand for the services provided by the Group. To accommodate such demand, the Group is continuing its efforts to build a solid business foundation with particular focus on the following four areas.

1) Raising awareness of SR Consulting

The needs of publicly listed companies—clients of the Group—for SR services are growing significantly while also becoming increasingly sophisticated and diversified. The demand for SR Consulting services has been growing even among regional companies and companies with relatively small market capitalization. This trend is due to the introduction of the Japanese version of the Stewardship Code and the Corporate Governance Code, in addition to an increase in shareholding by overseas institutional investors. As an increasing number of companies establish an SR (shareholder relations) department and engage in SR visits, the Group expects to see further expansion of SR Consulting, the Group’s core business built on

unique know-how. Moreover, the Group will continue to bolster its proposal-based marketing efforts carried out by consultants, to achieve greater exposure for its SR Consulting services, by drawing on its strength of having in-depth insight into the needs of institutional shareholders in the areas of evaluation of boards of directors in compliance with the Corporate Governance Code, as well as executive compensation consulting.

2) Expanding of the investment banking business

As the first company in Japan to carry out a commitment-type rights offering (the Company was awarded the “Innovative Equity Deal of the Year” in the DEALWATCH AWARDS of Thomson Reuters), the Group has started to develop new businesses, such as advisory services related to rights offerings, the main method of raising capital in the European market, and information agent services. Furthermore, the proposals made by the stock transfer agency to listed companies contributed to growing demand from their CEOs and CFOs, recognizing the Group as an innovator in capital markets, for a completely new type of support in finance from the perspective of an issuer and different from that offered by financial institutions. Consequently, the Investment Banking Department was launched in January 2014 and has provided rights offering-related services and financial advisory services such as those relating to M&As, management integration, and the acquisition of wholly owned subsidiaries. In addition, the Group is committed to enhancing its organizational structure, including the recruitment of experienced personnel, and strives to further expand its investment banking business by utilizing the Group-wide management resources and know-how in an integrated way based on its client base centered on over 500 listed companies.

3) Promoting the stock transfer agency business

In April 2012, the Group commenced its stock transfer agency services for listed companies, acting as an administrator of the shareholders’ register. This service constitutes an entry point to other SR consulting services—the core business of the Group. In fact, the decision to start the stock transfer agency business came about as a result of growing demand among clients for services such as finalizing shareholders’ registers. As foreign investors become a greater presence and hostile shareholder proposals by activists, among others, are on the increase, the role of stock transfer agents is transforming. Stock transfer agents are increasingly being required to provide strategic and effective responses to shareholders from a global perspective, instead of merely carrying out shareholder administration services. The Group is confident that the superiority of its stock transfer agency business in terms of cost-competitiveness, the added value of the information it provides, delivery speed, flexibility in meeting the needs of its clients and in its adherence to compliance in terms of its independent means of obtaining and managing information sets it apart from its competitors. The Group finds it highly significant that despite being the first new entrant into the stock transfer agency business in 40 years, it has been able to achieve a certain level of entrustments in its early stages. Furthermore, in an effort to promptly expand the number of entrustments to over 50 companies and to offer innovative, high-value-added stock transfer agency services that meet the varied capital policies and finance needs of companies, the Group will effectively promote its stock transfer agency business in concert with its SR Consulting services.

4) Enhancing human resources

To expand future business, it is vital that the Group secures human resources capable of originating new services that contribute to the development of the capital market, in addition to our existing services. We must thus recruit widely, hiring people with expertise in such fields as law, finance, accounting, and management. An aggressive hiring campaign is currently under way for both new graduates and mid-career recruits.

An additional challenge is to quickly bring human resources up to performance levels once they are hired. By enhancing our in-house training whereby employees can acquire practical knowledge, as well as other training programs led by the management team and on-the-job training (OJT), we expect to quickly develop recruits into real assets.

(5) Financial performance highlights

(Millions of yen)

	1st Term April 2014 to March 2015	2nd Term (Fiscal 2015) April 2015 to March 2016
Net sales	3,209	3,469
Profit attribute to owners of parent	365	445
Profit per share (Yen)	39.40	47.98
Total assets	3,730	3,986
Net assets	2,853	3,095
Net assets per share (Yen)	307.58	333.62

Notes: 1. As the Company was established on February 2, 2015 through a sole-share transfer, figures for terms prior to the 1st Term of Fiscal 2014 are not stated.
 2. The Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), etc., and “Net income” has been changed to “Profit attributable to owners of parent” from the fiscal year ended March 31, 2016.

(6) Significant information on parent company and its subsidiaries

1) Parent company

None applicable.

2) Significant information on subsidiaries

Company name	Capital	Ownership ratio	Principal business
IR Japan, Inc.	¥795 million	100.0%	IR/SR Consulting

3) Information on specified wholly owned subsidiaries at the fiscal year-end

(Millions of yen)

Company name	Address	Total book value	Total assets of the Company
IR Japan, Inc.	2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo	2,630	2,901

(7) Principal business operations (as of March 31, 2016)

Business	Description
Consulting business specializing in IR/SR activities	IR/SR Consulting (including investment banking business and stock transfer agency business) Disclosure Consulting Database and Others

(8) Principal office (as of March 31, 2016)

Name	Location
Head Office	2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo

(9) Employees (as of March 31, 2016)

1) Number of employees of the corporate group

Number of employees	Change from the previous fiscal year-end
150	9 (increased)

Note: The number of employees includes the number of contract workers irrespective of whether they are on a full- or part-time basis or on leave of absence.

2) Number of employees of the Company

Number of employees	Change from the previous year-end	Average age	Average years of service
5	1 (decreased)	41.2	5.7

Notes: 1. The number of employees includes the number of contract workers.
2. The average years of service include the period of service at the former IR Japan, Inc.

(10) Principal lender (as of March 31, 2016)

Sumitomo Mitsui Banking Corporation ¥100 million

2. Share Data (as of March 31, 2016)

- (1) Total number of shares authorized to be issued: 35,000,000 shares
(2) Total number of shares issued: 9,277,555 shares
(including 182 treasury shares)
(3) Number of shareholders: 1,928
(4) Major shareholders (top 10)

Shareholder name	Number of shares held	Shareholding ratio (%)
Shirou Terashita	5,797,000	62.48
45 Corporation Co., Ltd.	176,000	1.89
Tomohiro Suzuki	150,000	1.61
The Master Trust Bank of Japan, Ltd. (Trust Account)	146,400	1.57
Keisuke Tomimatsu	131,700	1.41
Asset Management Co., Ltd.	95,000	1.02
MLI FOR CLIENT GENERAL NON TREATY-PB	91,400	0.98
Hiroshi Inaba	59,300	0.63
Yutaka Minagawa	55,900	0.60
Yukihiko Aoyama	55,650	0.59

Note: Shareholding ratio is calculated by deducting 182 treasury shares from total number of shares issued.

- (5) Other significant information on the Company shares
None applicable.

3. Subscription Rights to Shares (as of March 31, 2016)

- (1) Status of subscription rights to shares at fiscal year-end
None applicable.
- (2) Status of subscription rights to shares issued during the fiscal year under review
None applicable.
- (3) Other important matters concerning subscription rights to shares
None applicable.

4. Directors and Audit and Supervisory Committee Members

(1) List of directors (as of March 31, 2016)

Name	Position	Area(s) of responsibility Important concurrent positions
Shirou Terashita	Representative Director, President	CEO (Chief Executive Officer) Representative Director, President and Chief Executive Officer of IR Japan, Inc. Member of the “Corporate Value Study Group” at the Ministry of Economy, Trade and Industry Member of the Study Group on Ideal Corporate Governance System at the Ministry of Economy, Trade and Industry
Takuji Kurio	Representative Director and Executive Vice President	COO (Chief Operating Officer) Representative Director, Executive Vice President and Chief Operating Officer of IR Japan, Inc.
Keisuke Tomimatsu	Director (Audit and Supervisory Committee Member)	Independent Director of Musashi Seimitsu Industry Co., Ltd. (Audit and Supervisory Committee Member)
Koichiro Kimura	Director (Audit and Supervisory Committee Member)	
Nobuyoshi Yamori	Director (Audit and Supervisory Committee Member)	Professor at the Research Institute for Economics & Business Administration, Kobe University Member of the Financial System Council, Financial Services Agency

- Notes:
1. The Company made the transition to a Company with an Audit and Supervisory Committee on June 24, 2015 (hereinafter referred to as the “Transition”). In conjunction with the Transition, Outside Audit & Supervisory Board Members Koichiro Kimura and Nobuyoshi Yamori have been appointed as directors who are audit and supervisory committee members (hereinafter “audit and supervisory committee members”). Furthermore, Full-Time Audit & Supervisory Board Member Keiko Nishimura retired due to the expiration of her term of office.
 2. Directors Keisuke Tomimatsu, Hiroshi Inaba and Taro Yamada retired due to the expiration of their terms of office, and in conjunction with the Transition, Director Keisuke Tomimatsu was appointed as an audit and supervisory committee member on June 24, 2015.
 3. Directors Koichiro Kimura and Nobuyoshi Yamori are outside directors pursuant to Article 2, Item 15, of the Companies Act.
 4. The Company has developed the Internal Control System, by which the Audit and Supervisory Committee carries out its duties. Although the Audit and Supervisory Committee consists entirely of part-time members, a structure is in place that allows the Committee to carry out its duties in an appropriate manner, such as by cooperating with other internal divisions through a secretariat to assist its duties. Accordingly, full-time audit and supervisory committee members are not appointed.
 5. Directors Koichiro Kimura and Nobuyoshi Yamori are registered as independent officers with the Tokyo Stock Exchange.

6. Audit and Supervisory Committee Member Koichiro Kimura has the experience in charge of the financial affairs at a leading general trading company and serving as an auditor at a general trading company for the steel industry, through which he has acquired considerable knowledge in financial and accounting matters.

(2) Limited liability contract

Pursuant to Article 427, Paragraph 1, of the Companies Act, the Company holds limited liability contracts with outside directors to limit the liability for damages as prescribed in Article 423, Paragraph 1, of said Act. The maximum amount of the liability for damages of outside directors, as prescribed in Article 423, Paragraph 1, of the Companies Act, is the minimum amount of liability as stipulated in Article 425, Paragraph 1, of said Act.

(3) Amount of compensation paid to directors and audit & supervisory board members during the fiscal year under review

Officer category	Total compensation (Thousands of yen)	Total amount by type of compensation (Thousands of yen)				Number of officers paid
		Basic compensation	Stock options	Bonuses	Retirement benefits	
Directors (Excluding directors who are audit and supervisory committee members)	38,165	33,330	—	—	4,835	5
(Outside directors)	(510)	(510)	—	—	(—)	(2)
Directors (Audit and supervisory committee members)	27,225	26,100	—	—	1,125	3
(Outside directors)	(12,600)	(12,600)	—	—	(—)	(2)
Audit & supervisory board members	1,132	1,110	—	—	22	3
(Outside audit & supervisory board members)	(840)	(840)	—	—	(—)	(2)
Total	66,522	60,540	—	—	5,982	11

- Notes: 1. The amount of compensation for audit & supervisory board members is the amount paid in the period prior to the Transition, while the amount of compensation for audit and supervisory committee members is the amount paid after the Transition.
2. The maximum amount of compensation for directors (excluding audit and supervisory committee members) was set at ¥150 million or less per year by resolution of the Annual General Meeting of Shareholders held on June 24, 2015.
3. The maximum amount of compensation for directors (audit and supervisory committee members) was set at ¥50 million (including ¥40 million for outside directors) or less per year by resolution of the Annual General Meeting of Shareholders held on June 24, 2015.
4. The maximum amount of compensation for audit & supervisory board members for the period from the establishment of the Company (February 2, 2015) to the close of the 1st Annual General Meeting of Shareholders was set at ¥100 million or less in total and was determined by resolution of the extraordinary general meeting of shareholders.
5. In addition to the above, the amount of compensation that outside directors and outside audit & supervisory board members received from the Company's subsidiary for their services as officers for the fiscal year under review is ¥5,400 thousand.

- (4) Information on outside directors/audit and supervisory committee members
- 1) Koichiro Kimura, Director (Audit and Supervisory Committee Member)
 - a. Relationship between the entities where he holds positions and the Company
None applicable.
 - b. Major activities during the fiscal year under review
Director (Audit and Supervisory Committee Member) Koichiro Kimura attended ten (10) out of thirteen (13) meetings of the Board of Directors and nine (9) out of twelve (12) meetings of the Audit and Supervisory Committee held since his appointment. He made comments as appropriate based on his profound knowledge due to his experience relating to finance at a leading general trading company and an auditor at a general trading company for the steel industry.
 - 2) Nobuyoshi Yamori, Director (Audit and Supervisory Committee Member)
 - a. Relationship between the entities where he holds positions and the Company
Director (Audit and Supervisory Committee Member) Nobuyoshi Yamori concurrently serves as a professor at the Research Institute for Economics & Business Administration of Kobe University. The Company has no special relationship with Kobe University.
 - b. Major activities during the fiscal year under review
Director (Audit and Supervisory Committee Member) Nobuyoshi Yamori attended all of thirteen (13) meetings of the Board of Directors and all of twelve (12) meetings of the Audit and Supervisory Committee held since his appointment. In order to supervise Directors' execution of duties, he made comments as appropriate from an independent perspective and as a specialist on finance and corporate governance.
- Both Koichiro Kimura and Nobuyoshi Yamori, in their positions as outside audit & supervisory board members prior to the transition to the Audit and Supervisory Committee, attended all of four (4) meetings of the Board of Directors and all of four (4) meetings of the Audit & Supervisory Board held during the fiscal year under review and made comments as appropriate.

5. Status of the Accounting Auditor

- (1) Name of the accounting auditor: PricewaterhouseCoopers Aarata
Note: The name of the accounting auditor in Japanese has been changed from Aarata Kansa-houjin to PwC Aarata Kansa-houjin as of July 1, 2015.
- (2) Outline of the terms and conditions of limited liability contract: None applicable.
- (3) Compensations payable to the accounting auditor regarding the fiscal year ended March 31, 2016
- 1) Compensations to be paid for services as the accounting auditor regarding the fiscal year under review: ¥4,070 thousand
 - 2) Total amount of cash and other financial benefits payable by the Company and its subsidiary: ¥22,095 thousand
- Notes: 1. The Audit and Supervisory Committee of the Company, in accordance with the "Practical Guidelines for Cooperation with Accounting Auditors" announced by the Japan Audit & Supervisory Board Members Association, has agreed to the compensations for the accounting auditor under Article 399, Paragraph 1, of the Companies Act, upon examination of the audit plans of the accounting auditor, the status of execution of duties for the previous fiscal years, and the grounds for calculating the estimated compensations, as well as other factors, through reports and necessary materials obtained from the related internal divisions and the accounting auditor.
2. The audit contract between the Company and the accounting auditor does not draw a clear distinction between the auditing compensations under the Companies Act

and those under the Financial Instruments and Exchange Act, and such distinction is impracticable. Therefore, the amount specified above represents the total amount of auditing compensations payable under both laws.

(4) Non-audit services

None applicable.

- (5) The Audit and Supervisory Committee shall decide to submit a proposal to dismiss or deny reappointment of the accounting auditor when it has become difficult for the accounting auditor to execute its duties, or if judged necessary. The Board of Directors shall submit such proposal to the general meeting of shareholders based on the decision. In addition, the Audit and Supervisory Committee shall dismiss the accounting auditor upon unanimous approval of the audit and supervisory committee members, when it is deemed that any of the items stipulated in Article 340, Paragraph 1, of the Companies Act applies. In such cases, audit and supervisory committee members selected by the Audit and Supervisory Committee shall report on the dismissal of the accounting auditor, as well as the reasons thereof at the first general meeting of shareholders convened after the dismissal.

6. The Company's Systems and Policies

[Systems to ensure the appropriateness of the Company's operations]

- (1) System to ensure compliance by directors to laws, regulations and the Articles of Incorporation
 1. The Board of Directors Regulations were formulated by the Board of Directors. Pursuant to the standards in the Regulations, the Company determines the execution of important operations.
 2. At regular monthly meetings of the Board of Directors and extraordinary meetings of the Board of Directors that are held when necessary, each director (excluding directors who are audit and supervisory committee members) reports the status of business execution, while mutually monitoring and supervising other directors' (excluding directors who are audit and supervisory committee members) execution of duties.
 3. Each audit and supervisory committee member audits the status of the directors' (excluding directors who are audit and supervisory committee members) execution of duties by attending meetings of the Board of Directors and expressing opinions when necessary.
 4. As a basis of the Company's compliance structure, the Compliance Management Regulations of the Group were formulated and have been disseminated to stipulate the codes of conduct that directors (excluding directors who are audit and supervisory committee members) and employees should practice.
 5. The Company has established an internal reporting system pursuant to the Compliance Management Regulations of the Group to prevent violations of laws and regulations, as well as the Articles of Incorporation.
- (2) System for the storage and preservation of information related to directors' duties

Based on the Document Management Regulations, the Company stores and manages the following documents (including electromagnetic records; the same applies hereafter) along with related documents, in appropriate ways that are easily accessible.

 1. Minutes of general meetings of shareholders
 2. Minutes of Board of Directors' meetings
 3. Minutes of Management Council meetings
 4. *Ringi* (draft plans circulated to obtain approval)
 5. Contracts
 6. Accounting books and financial statements
 7. Business reports
 8. Copies of documents submitted to authorities, including tax offices, government agencies and stock exchanges

(3) Regulations concerning the management of the risk of loss and other relevant risk management system

1. The Company recognizes and understands the following risks and has prepared an appropriate risk management structure.
 - 1) Credit risk
 - 2) Internal control risk
 - 3) Legal violation risk
 - 4) Information leak risk
 - 5) Disasters and accidents
 - 6) Other going-concern risks
2. The Company has formulated the Risk Management Regulations as a basis for its risk control structure and designated a responsible person for each risk. Should an unexpected emergency occur, the Company will strive to minimize the damage and risk by quickly responding with measures led by the President and Chief Executive Officer as the Chief Risk Officer.

(4) Systems to ensure efficient execution of directors' duties

1. The Board of Directors delegates significant authority to the directors (excluding directors who are audit and supervisory committee members) for quick decision making in the management of the Company and accurate supervision of the other directors (excluding directors who are audit and supervisory committee members).
2. In addition to the monthly Board of Directors' meetings, the Company holds extraordinary Board of Directors' meetings as needed for flexible decision making.
3. With regard to business execution based on resolutions at Board of Directors' meetings, the Regulations for Dividing Roles and Responsibilities and the Regulations for Dividing Duties and Authority stipulate the process clearly and concisely for efficient business execution.
4. The status of directors' (excluding directors who are audit and supervisory committee members) execution of duties is reported to the Board of Directors in a consistent and timely manner.

(5) Systems to ensure compliance by employees with laws, regulations and Articles of Incorporation

1. The Company formulated the Compliance Management Regulations as a basis for its compliance structure.
2. An internal reporting system is in place to prevent violations of laws and regulations, as well as the Articles of Incorporation, and address various consultations from employees.
3. The Group's Internal Audit Office, which is an internal audit division independent of business operations, is in place to ensure proper internal audits.
4. The Company strives to reinforce information security by reinforcing the basic policy for information security and the internal rules for information security.

(6) Systems to ensure the appropriateness of business operations in the Corporate Group comprising the Company and its subsidiary

1. The Group Company Management Regulations were formulated to specify procedures and management systems concerning the group company. The Corporate Planning Section is responsible for the management of the group company and ensures the appropriateness of business operations by granting prior approval of the Company's body for important matters of the group company and receiving reports.
2. The Group has established the Group Management and Strategy Meeting, participated in by directors (excluding directors who are audit and supervisory committee members) of the Company, as a body to deliberate important matters that may affect the Group from various perspectives.
3. The company belonging to the Group has established a system necessary to ensure the reliability of financial reporting and a system necessary for the timely and appropriate disclosure of information.

- (7) Matters concerning supporting employees for audit and supervisory committee members and the independence of such employees from directors (excluding directors who are audit and supervisory committee members), as well as matters related to ensuring the effectiveness of instructions given by the audit and supervisory committee members to directors and employees
1. The Company can designate assistants to audit and supervisory committee members from among its employees to support the audit and supervisory committee members' duties upon their request.
 2. Employees supporting the audit and supervisory committee members shall exclusively follow the instructions and orders given by the audit and supervisory committee members.
- (8) Systems to help directors (excluding directors who are audit and supervisory committee members) and employees report to the audit and supervisory committee members, systems related to reporting to audit and supervisory committee members, and other systems to ensure effective audits by the audit and supervisory committee members
1. Should directors (excluding directors who are audit and supervisory committee members) discover a serious violation of laws and regulations or any other important fact related to compliance in the Company's operations, they must immediately report such to the audit and supervisory committee members, as well as report such at the Group Management and Strategy Meeting to call for attention and prevent the recurrence of such an incident where appropriate.
 2. Matters directors and employees must report to the audit and supervisory committee members and the time frame within which such reporting should be made are stipulated in the Audit and Supervisory Committee Member Regulations, which also require directors (excluding directors who are audit and supervisory committee members) and employees to report material matters that affect the Company's operations and performance every time they occur. It is also stipulated that the audit and supervisory committee members can demand directors (excluding directors who are audit and supervisory committee members) and employees to report anytime, as necessary.
 3. Upon recognition of an issue in the Company's legal compliance structure, the audit and supervisory committee members shall express opinions at a Board of Directors' meeting and demand that improvement measures be formulated and taken.
 4. The directors (excluding directors who are audit and supervisory committee members) and employees, etc., of the Group shall respond quickly and appropriately, when requested by the audit and supervisory committee members for a report on business operations, or when the audit and supervisory committee members investigate the business operations and property.
 5. The directors (excluding directors who are audit and supervisory committee members) and employees, etc., of the Group may report directly to audit and supervisory committee members. The Company prohibits the unfair treatment of individuals for having made such reports in the internal rules and regulations.
- (9) Systems to ensure the effective execution of audits based on the procedures for advance payment or reimbursement of expenses incurred by audit and supervisory committee members in executing their duties (limited to those related to the execution of duties by the Audit and Supervisory Committee) and any other policy for processing the expenses or obligations incurred in the execution of such duties
1. If the Audit and Supervisory Committee requests the Company to carry out advance payment of expenses concerning the execution of its duties pursuant to Article 399-2, Paragraph 4, of the Companies Act, the Company shall promptly process such expenses or obligations, unless such expenses and obligations are deemed unnecessary for the audit and supervisory committee members to execute their duties.
 2. If the Audit and Supervisory Committee requests the independent use of an external expert for the purpose of executing its duties, the Company shall bear the related expenses, unless such expenses are deemed unnecessary for the audit and supervisory committee members to execute

their duties.

(10) Basic policy against antisocial forces and status of its reinforcement

The Company shuts out all antisocial forces and groups that pose a threat to civil society's order and safety, firmly refuses any demands from such groups and does not conduct any transactions with corporations, groups or individuals related to such groups. The Company as a whole maintains a steadfast attitude against antisocial forces in alliance with the police, external lawyers and other external professional organizations.

[Operational status of systems to ensure the appropriateness of operations]

(1) Overall Internal Control System

The Company's Internal Audit Office is monitoring and proceeding with improvements to the development and operational status of the overall Internal Control System of the Company and its subsidiary.

(2) Compliance

The Company continues to engage in initiatives to comply with laws and regulations, as well as the Articles of Incorporation by implementing education through in-house training and briefings at meetings for employees of the Company and its subsidiary in order to instill the necessary levels of compliance commensurate with their positions. In addition, the Company has established a consultation and internal reporting system based on the Compliance Management Regulations of the Group and also provides its subsidiary with access to the system in an effort to enhance the effectiveness of compliance.

(3) Risk management system

The Company conducted reviews of the risks reported by each department of the Company and its subsidiary and shared information on a company-wide basis, in addition to reporting on the management status of such risks at the Compliance Committee.

(4) Internal audit

The Internal Audit Office conducted internal audits of the Company and its subsidiary based on the internal audit plan.

(5) Initiatives related to the Audit and Supervisory Committee

1. Audit and supervisory committee members attend important meetings including the Board of Directors' meetings and the Group Management and Strategy Meeting, receive reports on the execution of operations of directors, etc., and supervise the process and content of their decision-making.
2. The Audit and Supervisory Committee receives reports on the audits conducted by the internal audit divisions, promotes communication with the internal audit divisions on a daily basis and makes efforts to establish a framework that allows the effective implementation of audits on a Group-wide basis.
3. The accounting auditor and internal audit divisions attended meetings of the Audit and Supervisory Committee and provided explanations on the relevant agendas.

[A policy concerning the decision on the distribution of surplus]

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 resolution of the Board of Directors, unless otherwise specified by laws and regulations, but a decision on year-end dividends is to be made by 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.

The Company plans to pay ¥18 per share as year-end dividend.

Note: The amounts of money and numbers of shares in this Business Report are truncated to the units respectively shown.

Consolidated Balance Sheet

(As of March 31, 2016)

(Thousands of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	2,871,069	Current liabilities	741,225
Cash and deposits	1,849,252	Accounts payable—trade	32,593
Notes and accounts receivable—trade	860,517	Short-term loans payable	100,000
Work in process	24,954	Accounts payable—other	84,173
Prepaid expenses	61,791	Accrued expenses	88,707
Deferred tax assets	62,638	Income taxes payable	214,707
Other	15,647	Advances received	37,855
Allowance for doubtful accounts	(3,733)	Deposits received	33,016
Non-current assets	1,111,304	Provision for bonuses	76,032
Property, plant and equipment	311,677	Provision for directors' bonuses	3,000
Facilities attached to buildings	180,424	Other	71,140
Tools, furniture and fixtures	131,252	Non-current liabilities	150,534
Intangible assets	479,132	Net defined benefit liability	3,169
Software	457,781	Provision for directors' retirement benefits	147,365
Other	21,351	Total liabilities	891,760
Investments and other assets	320,494	Net assets	
Investment securities	23,302	Shareholders' equity	3,095,209
Lease and guarantee deposits	213,446	Capital stock	795,803
Deferred tax assets	65,745	Capital surplus	784,605
Other	19,152	Retained earnings	1,514,926
Allowance for doubtful accounts	(1,152)	Treasury shares	(125)
Deferred assets	4,507	Accumulated other comprehensive income	(88)
Deferred organization expenses	4,507	Valuation difference on available-for-sale securities	(88)
Total assets	3,986,881	Total net assets	3,095,121
		Total liabilities and net assets	3,986,881

Consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

Account	Amount	
Net sales		3,469,512
Cost of sales		1,092,970
Gross profit		2,376,541
Selling, general and administrative expenses		1,595,913
Operating income		780,628
Non-operating income		
Interest income	329	
Gain on forfeiture of unclaimed dividends	235	
Referral fee	238	
Other	802	1,606
Non-operating expenses		
Interest expenses	581	
Loss on sales of notes payable	92	
Foreign exchange losses	514	
Amortization of deferred organization expenses	1,175	2,364
Ordinary income		779,870
Extraordinary losses		
Loss on retirement of non-current assets	1,574	
Loss on valuation of investment securities	23,518	25,092
Income before income taxes and minority interests		754,777
Income taxes—current	316,315	
Income taxes—deferred	(6,671)	309,643
Profit		445,134
Profit attributable to owners of parent		445,134

Consolidated Statement of Changes in Equity

(From April 1, 2015 to March 31, 2016)

(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	1,273,896	(55)	2,854,249
Changes of items during period					
Dividends of surplus			(204,104)		(204,104)
Profit attributable to owners of parent			445,134		445,134
Purchase of treasury shares				(70)	(70)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	241,029	(70)	240,959
Balance at end of current period	795,803	784,605	1,514,926	(125)	3,095,209

	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	(645)	(645)	2,853,604
Changes of items during period			
Dividends of surplus			(204,104)
Profit attributable to owners of parent			445,134
Purchase of treasury shares			(70)
Net changes of items other than shareholders' equity	556	556	556
Total changes of items during period	556	556	241,516
Balance at end of current period	(88)	(88)	3,095,121

Certified Copy of the Accounting Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report

May 20, 2016

To the Board of Directors of IR Japan Holdings, Ltd.

PricewaterhouseCoopers Aarata

Koji Nishikawa (Seal)
Designated and Engagement Partner
Certified Public Accountant

Takayoshi Yano (Seal)
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 444, Paragraph 4, of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of IR Japan Holdings, Ltd. (the "Company") applicable to the fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the corporate group comprising IR Japan Holdings, Ltd. and its consolidated subsidiary, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the notes to significant subsequent events, the Company passed a resolution on the acquisition of its treasury shares and the specific method thereof at the meeting of the Board of Directors held on May 13, 2016, and the acquisition was conducted on May 16, 2016.

This matter does not affect our opinion.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Non-Consolidated Balance Sheet

(As of March 31, 2016)

(Thousands of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	246,236	Current liabilities	264,993
Cash and deposits	57,924	Short-term loans payable	100,000
Accounts receivable—other	187,445	Accounts payable—other	9,383
Other	866	Income taxes payable	149,496
Non-current assets	2,651,006	Provision for bonuses	1,246
Investments and other assets	2,651,006	Deferred tax liabilities	260
Investment securities	18,170	Other	4,607
Shares of subsidiaries and associates	2,630,927	Non-current liabilities	6,232
Deferred tax assets	1,908	Provision for directors' retirement benefits	6,232
Deferred assets	4,507	Total liabilities	271,226
Deferred organization expenses	4,507	Net assets	
		Shareholders' equity	2,630,524
		Capital stock	795,803
		Capital surplus	1,816,571
		Legal capital surplus	784,605
		Other capital surplus	1,031,966
		Retained earnings	18,275
		Retained earnings brought forward	18,275
		Treasury shares	(125)
		Total net assets	2,630,524
Total assets	2,901,750	Total liabilities and net assets	2,901,750

Non-Consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

Account	Amount	
Operating revenue		159,600
Operating expenses		119,073
Operating income		40,526
Non-operating income		
Interest income	23	
Other	142	166
Non-operating expenses		
Interest expenses	596	
Amortization of deferred organization expenses	1,175	1,772
Ordinary income		38,919
Extraordinary losses		
Loss on valuation of investment securities	23,518	23,518
Income before income taxes		15,401
Income taxes—current	8,558	
Income taxes—deferred	(1,133)	7,425
Profit		7,976

Non-Consolidated Statement of Changes in Equity

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surpluses	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	795,803	784,605	1,236,071	2,020,676	10,299	10,299
Changes of items during period						
Dividends of surplus			(204,104)	(204,104)		
Profit					7,976	7,976
Purchase of treasury shares						
Net changes of items other than shareholders' equity						
Total changes of items during period	—	—	(204,104)	(204,104)	7,976	7,976
Balance at end of current period	795,803	784,605	1,031,966	1,816,571	18,275	18,275

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of current period	(55)	2,826,722	(1,439)	2,825,282
Changes of items during period				
Dividends of surplus		(204,104)		(204,104)
Profit		7,976		7,976
Purchase of treasury shares	(70)	(70)		(70)
Net changes of items other than shareholders' equity			1,439	1,439
Total changes of items during period	(70)	(196,198)	1,439	(194,758)
Balance at end of current period	(125)	2,630,524	—	2,630,524

Certified Copy of the Accounting Auditor's Report

Independent Auditor's Report

May 20, 2016

To the Board of Directors of IR Japan Holdings, Ltd.

PricewaterhouseCoopers Aarata

Koji Nishikawa (Seal)
Designated and Engagement Partner
Certified Public Accountant

Takayoshi Yano (Seal)
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 436, Paragraph 2, Item 1, of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to the non-consolidated financial statements and the related supplementary schedules of IR Japan Holdings, Ltd. (the "Company") applicable to the 2nd fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Non-Consolidated Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the non-consolidated financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the IR Japan Holdings, Ltd., applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the notes to significant subsequent events, the Company passed a resolution on the acquisition of its treasury shares and the specific method thereof at the meeting of the Board of Directors held on May 13, 2016, and the acquisition was conducted on May 16, 2016.

This matter does not affect our opinion.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Certified Copy of Audit Report by the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee (“the Committee”) of IR Japan Holdings, Ltd. (“the Company”), has audited the execution of duties by the directors during the 2nd fiscal year commenced on April 1, 2015, and ended on March 31, 2016. The Committee hereby reports the method and results thereof as follows.

1. Methods and Content of Audits

With regard to the content of the resolution of the Board of Directors with respect to matters stipulated in Article 399-13, Paragraph 1, Item 1, (b) and (c), of the Companies Act, as well as the system developed based on such resolution (the “Internal Control System”), the Audit and Supervisory Committee communicated and exchanged information with directors and employees and regularly received reports concerning the operations of these systems, sought explanations as necessary and expressed opinions. In addition, the Audit and Supervisory Committee conducted audits using the following methods.

The Audit and Supervisory Committee, in accordance with the audit policy and the division of duties, which it established, coordinated with the Company’s internal control divisions, attended important meetings, received reports from the directors and employees regarding matters related to the execution of their duties, sought explanations as necessary, examined important documents of settlement and associated records, and investigated the status of the operations and property. In addition, with respect to the subsidiary, the Audit and Supervisory Committee communicated and exchanged information with the directors and employees of the subsidiary, and received reports concerning business operations from the subsidiary as necessary.

While monitoring and verifying whether the accounting auditor maintained their independence and implemented appropriate audits, the audit and supervisory committee members received reports from them regarding the execution of their duties and sought explanations as necessary. In addition, the audit and supervisory committee members received a notice from the accounting auditor that they have developed the “systems necessary to ensure proper execution of duties,” prescribed under each Item of Article 131 of the Company Accounting Regulations of Japan, in accordance with the “Quality Management Standards Regarding Audits,” published by the Business Accounting Council, as of October 28, 2005, and other relevant standards and sought explanations as necessary.

Based on the above methods, the audit and supervisory committee members examined the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to the non-consolidated financial statements) and the related supplementary schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to the consolidated financial statements) thereof for the relevant fiscal year.

2. Audit Results

(1) Results of audits of the business report and other subjects

1. The Committee has confirmed that the business report and the supplementary schedules thereof accurately indicate the status of the Company in compliance with applicable laws and regulations and the Articles of Incorporation.
2. The Committee has found no misconduct or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the execution of duties

by the directors.

3. The Committee has confirmed that the content of the resolution of the Board of Directors regarding the Internal Control System is appropriate and there is no matter on which to remark in regard to the indications in the business report and the execution of duties by the directors regarding the Internal Control System.

- (2) Results of audits of the non-consolidated financial statements and the supplementary schedules thereof

The Committee has confirmed that the methods and results of the audits by the accounting audit firm PricewaterhouseCoopers Aarata are appropriate.

- (3) Results of audits of the consolidated financial statements thereof

The Committee has confirmed that the methods and results of the audits by the accounting audit firm PricewaterhouseCoopers Aarata are appropriate.

May 23, 2016

IR Japan Holdings, Ltd., Audit and Supervisory Committee
Audit and Supervisory Committee Member

Koichiro Kimura [seal]

Audit and Supervisory Committee Member

Keisuke Tomimatsu [seal]

Audit and Supervisory Committee Member

Nobuyoshi Yamori [seal]

Note: Audit and Supervisory Committee Members Koichiro Kimura and Nobuyoshi Yamori are outside directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6, of the Companies Act.