Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (J-GAAP)

May 14, 2024

Listed Company Name: IR Japan Holdings, Ltd.
Securities Code: 6035
Listing: Tokyo Stock Exchange URL: https://www.irjapan.jp/
Representative: Shirou Terashita
President and Chief Executive Officer
Contact: Yutaka Fujiwara
Director and General Manager, Corporate Planning Department Tel.: +81-3-3519-6750
Scheduled Annual General Meeting of Shareholders: June 18, 2024
Scheduled Date to Start Dividend Payment: June 19, 2024
Scheduled Date to Submit Securities Report: June 19, 2024
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, 2023 to March 31, 2024)

(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, 2024	5,664	-5.8	1,072	-3.9	1,068	-13.8	762	13.5
Year ended March 31, 2023	6,012	-28.4	1,115	-68.0	1,239	-64.3	671	-72.4

Note: Comprehensive income Year ended March 31, 2024: 767 million yen (14.3%)
Year ended March 31, 2023: 671 million yen (-72.4%)

	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, 2024	42.95	—	13.3	15.2	18.9
Year ended March 31, 2023	37.83	—	10.0	15.1	18.6

Reference: Equity in earnings (losses) of affiliates Year ended March 31, 2024: — million yen
Year ended March 31, 2023: — 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, 2024	6,669	5,372	80.6	302.47
As of March 31, 2023	7,362	6,079	82.6	342.25

Reference: Shareholders' equity As of March 31, 2024: 5,372 million yen
As of March 31, 2023: 6,079 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, 2024	1,825	(295)	(1,474)	4,097
Year ended March 31, 2023	618	(336)	(2,005)	4,042

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	%	%
Year ended March 31, 2023	—	45.00	—	68.00	113.00	2,007	298.7	29.7
Year ended March 31, 2024	—	15.00	—	15.00	30.00	532	69.8	9.3
Year ending March 31, 2025 (Forecast)	—	—	—	—	—		—	

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

The Company has not announced its consolidated results forecast for the fiscal year ending March 31, 2025 since it is difficult to reasonably calculate its results forecast at this time. We will promptly disclose the consolidated results forecast as soon as it becomes possible to calculate it.

Notes:

(1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in the scope of consolidation): None
Newly included: — Excluded: —

(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, 2024 17,839,710 shares
As of March 31, 2023 17,839,710 shares
2) Number of treasury shares at the end of the period
As of March 31, 2024 76,327 shares
As of March 31, 2023 76,283 shares
3) Average number of shares during the period
Year ended March 31, 2024 17,763,402 shares
Year ended March 31, 2023 17,763,427 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results (from April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	1,158	-40.7	734	-46.7	727	-51.5	673	-51.2
Year ended March 31, 2023	1,953	-27.2	1,376	-44.0	1,499	-38.8	1,379	-39.1

	Profit per share—basic	Profit per share—diluted
	Yen	Yen
Year ended March 31, 2024	37.90	—
Year ended March 31, 2023	77.67	—

(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, 2024	3,794	3,486	91.9	196.25
As of March 31, 2023	4,543	4,285	94.3	241.27

Reference: Shareholders' equity As of March 31, 2024: 3,486 million yen
As of March 31, 2023: 4,285 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 Company 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 8.

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Note: The Company held a briefing for investors (online meeting), as indicated below. Materials distributed at this briefing are set to be posted on the Company's website immediately after the briefing.

Financial results briefing for institutional investors and analysts: Tuesday, May 14, 2024

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2024

1) General overview

(Millions of yen)

	Fiscal 2023 (April 2023 to March 2024)			Fiscal 2022 (April 2022 to March 2023)	
	Amount	Change	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	5,664	-348	-5.8	6,012	-28.4
Operating profit	1,072	-43	-3.9	1,115	-68.0
Ordinary profit	1,068	-171	-13.8	1,239	-64.3
Profit attributable to owners of parent	762	91	13.5	671	-72.4
(Reference) EBITDA	1,392	-144	-9.4	1,536	-58.9

Note: EBITDA = Ordinary profit + Interest expenses + Depreciation

During the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024), net sales decreased 5.8% year on year, to ¥5,664 million, operating profit decreased 3.9% year on year, to ¥1,072 million, ordinary profit decreased 13.8% year on year, to ¥1,068 million and profit attributable to owners of parent increased 13.5% year on year, to ¥762 million. EBITDA decreased 9.4% year on year, to ¥1,392 million.

During the fiscal year ended March 31, 2024, due to expectations toward Japanese listed companies regarding reforms, Japan's capital markets became the focus of attention for global markets, and the Nikkei Stock Average recorded its highest level in the last 34 years. As expectations continue to rise for "management that is conscious of cost of capital and stock price" by the Tokyo Stock Exchange, ownership battles and the stable securing of voting rights in listed companies have also become the focus of attention, due to the increasing number of activists targeting listed companies entering the market and shareholder proposals being actively submitted by activists. In addition, momentum for corporate restructuring and business reorganization is increasing with strategic buyers (operating companies) showing movement towards "takeover bids without consent" and "implementations of counter offers" based on "Guidelines for Corporate Takeovers," formulated by the Ministry of Economy, Trade and Industry in August 2023.

Regarding contingency response projects[*1] related to responses to activists, ownership battles and responses to M&As, among others, we are continuing to receive contracts for projects that are centered on activist response PA/FA projects. While corporate restructuring and business reorganization are expected to intensify, there has also been a rise in capital risk, and we have received a growing number of contracts for PA services[*2] and FA services[*3] centering on ownership battles.

Regarding ordinary response projects[*4] such as shareholder identification surveys, from the second half of the fiscal year onward, the number of new and additional project contracts for equity consulting services is increasing, based on the strong relationship of trust with our clients. However, the number of ordinary response projects for the full year decreased due to factors such as contract cancelations by certain existing clients, as well as the impact of a decrease in the number of new and additional project contracts in the first half of the fiscal year.

On the other hand, amid rising expectations for "management that is conscious of cost of capital and stock price" in Japan's capital markets, cross-shareholdings are being cancelled and institutional investors and financial institutions are becoming increasingly strict about exercising voting rights. Moreover, as for the corporate restructuring and M&A areas, there is increasing pressure on management control, with intensified activities by activist funds as well as takeover bids being implemented by operating companies without prior consent, and risks related to the management control and voting rights of listed companies in Japan are becoming increasingly heightened. As shown in the Group's key concept, the "Power of Equity®[*5]," capital risks that significantly affect the survival and control of listed companies in Japan are increasing, such as corporate restructuring and business reorganization under external pressure from "shareholders."

Under these circumstances, we will—as the only independent equity consulting and financial advisory group that does not belong to a financial organization, essentially offers proxy advisory services, and does not take the activist side—leverage both our consulting services related to shareholder voting rights and our M&A advisory services related to management control, while supporting the sustainable growth of listed companies in Japan.

*1 Contingency response projects: Deals to handle PA and FA services in contingency phases such as responses to activists, ownership battles, responses to M&As, etc.

*2 PA services: Proxy Advisory services (Proxy fight services, in which the Company boasts an overwhelmingly successful track record)

*3 FA services: Financial Advisory services (Responses to activists, hostile TOBs, advanced MBOs, and M&As, to which Japan's largest and most cutting-edge group of experts is deployed)
*4 Ordinary response projects: Equity consulting services in normal times related to shareholder identification surveys, voting rights analysis, corporate defense, corporate value enhancement, etc.
*5 Power of Equity®: "Power of Equity" is a registered trademark of our subsidiary, IR Japan, Inc. (No. 6196294).

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 2023 (April 2023 to March 2024)			Fiscal 2022 (April 2022 to March 2023)	
	Net sales	Percentage of net sales	Percentage change (YoY)	Net sales	Percentage change (YoY)
IR/SR Consulting	5,361	94.7	-4.3	5,601	-28.8
Disclosure Consulting	200	3.5	-25.9	270	-21.4
Databases and Other	102	1.8	-27.1	139	-25.3
Total	5,664	100.0	-5.8	6,012	-28.4

(a) Breakdown of large-scale projects (amounting to ¥50 million or more) and normal projects (amounting to less than ¥50 million)

(Millions of yen)

	Large-scale projects (¥50 million or more)	Normal projects (less than ¥50 million)
Fiscal year ended March 31, 2024	1,969	3,694
Fiscal year ended March 31, 2023	1,848	4,163
Change	120	-469

(b) Number and sales amount of large-scale projects (amounting to ¥50 million or more)

(Millions of yen)

	First half		Second half		Full year	
	Number of Projects	Amount	Number of Projects	Amount	Number of Projects	Amount
Fiscal year ended March 31, 2024	10	1,022	6	947	16	1,969
Fiscal year ended March 31, 2023	6	414	10	1,433	16	1,848
Change	4	607	-4	-486	—	120

(c) Types and sales amount of large-scale projects (amounting to ¥50 million or more)

(Millions of yen)

Types of project	Fiscal 2023 (April 2023 to March 2024)	Fiscal 2022 (April 2022 to March 2023)	Change
PA/FA for ownership battles	426	92	334
PA/FA for activist responses	860	890	-30
Company-side FA (M&As, etc.)	683	749	-66
Large-scale SR/PA	—	117	-117
Total	1,969	1,848	120

The sales amount of large-scale projects (amounting to ¥50 million or more) for the fiscal year under review increased 6.5% year on year, to ¥1,969 million. This was due to contracts for projects that are centered on PA/FA projects for ownership battles. The sales amount of normal projects (amounting to less

than ¥50 million) declined 11.3% year on year, to ¥3,694 million.

(d) Breakdown of contingency response projects and ordinary response projects for the fiscal year ended March 31, 2024

(Millions of yen)

	Contingency response projects	Ordinary response projects
Fiscal year ended March 31, 2024	2,532	3,131
Fiscal year ended March 31, 2023	2,487	3,524
Change	44	-393

The sales amount of contingency response projects related to responses to activists, ownership battles and responses to M&As for the fiscal year under review increased 1.8% year on year, to ¥2,532 million. Regarding contingency response projects related to responses to activists, ownership battles and responses to M&As, we are continuing to receive contracts for projects that are centered on activist response PA/FA projects. While corporate restructuring and business reorganization are expected to intensify, there has also been a rise in capital risk, and we have received a growing number of contracts for PA services and FA services centering on ownership battles.

The sales amount of ordinary response projects such as shareholder identification surveys for the fiscal year under review decreased 11.2% year on year, to ¥3,131 million. From the second half onward, the number of new and additional project contracts for equity consulting services is increasing, based on the strong relationship of trust with our clients. However, the number of projects for the full year decreased due to factors such as contract cancelations by certain existing clients, as well as the impact of a decrease in the number of new and additional project contracts in the first half.

In the stock transfer agency business, as of March 31, 2024, entrustments with 66 companies have been completed, and the number of shareholders under administration reached 411,997 (compared with entrustments concluded with 67 companies and 438,342 shareholders under administration in the same period of the previous fiscal year). We will continue to provide stock transfer agency services that meet the needs of the times by strengthening cooperation with SMBC Trust Bank Ltd. regarding stock transfer agency business and developing innovative services that set us apart from conventional stock transfer agencies.

IR/SR Consulting

IR/SR Consulting is the Group’s core lineup of services. These include SR advisory (shareholder identification surveys, proxy voting simulation, corporate governance improvement, evaluation of the effectiveness of boards of directors, capital policies including shareholder returns, etc.), proxy advisory, financial advisory, and the stock transfer agency business.

Sales from IR/SR Consulting for the fiscal year under review decreased 4.3% year on year, to ¥5,361 million.

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 decreased 25.9% year on year, to ¥200 million.

Databases and Other

Databases and Other provides web-based IR support services via Stock Watch, which provides information on shareholdings revealed through reports on the possession of large volume and publicly offered domestic and overseas investment trusts, IR-Pro, which is a comprehensive support system for corporate IR activities, 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 27.1% year on year, to ¥102 million.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2024

1) Assets

Total assets of the Group as of March 31, 2024 decreased ¥692 million from the end of the previous fiscal year, to ¥6,669 million, due primarily to decreases in income taxes refund receivable of ¥422 million and accounts receivable – trade of ¥143 million.

2) Liabilities

Total liabilities of the Group as of March 31, 2024 increased ¥14 million from the end of the previous fiscal year, to ¥1,296 million, due primarily to increases in provision for bonuses of ¥35 million and accrued expenses of ¥31 million and a decrease in income taxes payable of ¥51 million.

3) Net assets

Net assets of the Group as of March 31, 2024 decreased ¥706 million from the end of the previous fiscal year, to ¥5,372 million, due primarily to an increase in retained earnings of ¥762 million from profit attributable to owners of parent and a decrease in retained earnings of ¥1,474 million as a result of payment of dividends.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2024

Cash and cash equivalents (hereinafter "net cash") of the Group as of March 31, 2024 increased ¥55 million from the end of the previous fiscal year, to ¥4,097 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 ¥1,825 million (¥618 million in the previous fiscal year).
Major sources were profit before income taxes of ¥1,068 million, income taxes refund of ¥444 million, income taxes paid of ¥436 million, and depreciation of ¥323 million.

Cash flows from investing activities

Net cash used in investing activities was ¥295 million (¥336 million in the previous fiscal year).
Major source of cash outflow was purchase of intangible assets of ¥286 million.

Cash flows from financing activities

Net cash used in financing activities was ¥1,474 million (¥2,005 million in the previous fiscal year).
Major source of cash outflow was cash dividends paid of ¥1,474 million.

(Reference) Cash flow indicators

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024
Equity ratio (%)	67.6	79.0	82.1	82.6	80.6
Equity ratio based on market capitalization (%)	1,335.4	2,823.7	857.0	564.8	355.0
Cash flows/interest-bearing debt ratio (%)	5.7	8.3	7.7	32.3	11.0
Interest coverage ratio (times)	2,927.2	1,965.8	2,143.2	582.2	1,861.0

(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

The consolidated results forecast for the fiscal year ending March 31, 2025 has not been announced as it is difficult to calculate a reasonable results forecast at this time due to the nature of the Group's business. We will promptly disclose the consolidated results forecast for the full year as soon as it becomes possible to calculate it.

(5) Basic Policy Concerning the Distribution of Profits and Dividend Distributions for the Fiscal Year Ended March 31, 2024 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.

For the fiscal year ended March 31, 2024, the year-end dividend is ¥15 per share. Accordingly, the full-year dividend including the interim dividend is scheduled to be ¥30 per share.

Regarding dividends for the fiscal year ending March 31, 2025, both the interim dividend and year-end dividend have not yet been determined at this time, as it is difficult to estimate the consolidated results forecast for the full year at this stage.

However, dividends for the fiscal year ending March 31, 2025 will be determined with a target consolidated dividend payout ratio of approximately 50%, while comprehensively taking into account the dividend sources of IR Japan Holdings, Ltd. as well as the necessity of maintaining the stable equity ratio of IR Japan, Inc. (hereinafter, "IRJ"), the Company's subsidiary, as IRJ is a Type I Financial Instruments Business Operator.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025
Dividend per share	113 yen	30 yen	NYD
Interim dividend	45 yen	15 yen	NYD
Year-end dividend	68 yen	15 yen	NYD
Dividend payout ratio	298.7%	69.8%	NYD

2. 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.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,077,354	4,132,474
Accounts receivable—trade	592,337	448,559
Contract assets	29,352	23,644
Work in process	7,133	5,703
Prepaid expenses	167,320	229,233
Income taxes refund receivable	422,680	—
Other	270,079	18,342
Total current assets	5,566,258	4,857,958
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	360,194	372,272
Accumulated depreciation	(151,138)	(175,576)
Facilities attached to buildings, net	209,055	196,695
Vehicles	20,434	20,434
Accumulated depreciation	(14,604)	(18,016)
Vehicles, net	5,830	2,417
Tools, furniture and fixtures	353,633	360,002
Accumulated depreciation	(217,937)	(255,632)
Tools, furniture and fixtures, net	135,695	104,369
Total property, plant and equipment	350,581	303,482
Intangible assets		
Software	723,310	720,041
Other	65,059	98,158
Total intangible assets	788,370	818,200
Investments and other assets		
Investment securities	174,001	163,485
Leasehold and guarantee deposits	328,832	326,498
Long-term accounts receivable—trade	77,760	66,960
Deferred tax assets	139,131	178,607
Other	8,700	21,700
Allowance for doubtful accounts	(71,280)	(66,960)
Total investments and other assets	657,145	690,291
Total non-current assets	1,796,097	1,811,974
Total assets	7,362,355	6,669,932

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable—trade	39,348	30,617
Short-term borrowings	200,000	200,000
Accounts payable—other	161,559	153,594
Accrued expenses	36,284	67,961
Income taxes payable	292,481	241,446
Contract liabilities	43,584	61,185
Deposits received	65,383	64,597
Provision for bonuses	130,606	165,953
Provision for customer measure costs	171,430	171,430
Other	81,111	73,788
Total current liabilities	1,221,791	1,230,575
Non-current liabilities		
Long-term accounts payable—other	45,863	45,863
Retirement benefit liability	15,140	20,537
Total non-current liabilities	61,004	66,401
Total liabilities	1,282,795	1,296,976
Net assets		
Shareholders' equity		
Share capital	865,298	865,298
Capital surplus	553,406	553,406
Retained earnings	5,068,418	4,357,040
Treasury shares	(410,004)	(410,104)
Total shareholders' equity	6,077,119	5,365,641
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,441	7,314
Total accumulated other comprehensive income	2,441	7,314
Total net assets	6,079,560	5,372,956
Total liabilities and net assets	7,362,355	6,669,932

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Net sales	6,012,478	5,664,025
Cost of sales	1,040,575	1,148,347
Gross profit	4,971,903	4,515,678
Selling, general and administrative expenses	3,856,267	3,443,668
Operating profit	1,115,635	1,072,009
Non-operating income		
Interest income	24	19
Dividend income	282	292
Gain on investments in investment partnerships	16,810	—
Compensation for damage received	5,279	—
Insurance claim income	100,000	—
Interest on tax refund	668	2,721
Reversal of allowance for doubtful accounts	—	4,320
Miscellaneous income	3,357	1,833
Total non-operating income	126,422	9,186
Non-operating expenses		
Interest expenses	1,065	1,072
Foreign exchange losses	738	2,894
Loss on investments in investment partnerships	—	6,587
Cancellation fee	—	2,400
Other	320	20
Total non-operating expenses	2,125	12,975
Ordinary profit	1,239,932	1,068,221
Extraordinary losses		
Provision for customer measure costs	171,430	—
Total extraordinary losses	171,430	—
Profit before income taxes	1,068,502	1,068,221
Income taxes - current	342,873	346,862
Income taxes - deferred	53,683	(41,627)
Total income taxes	396,557	305,235
Profit	671,945	762,985
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	671,945	762,985

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Profit	671,945	762,985
Other comprehensive income		
Valuation difference on available-for-sale securities	(150)	4,873
Total other comprehensive income	(150)	4,873
Comprehensive income	671,794	767,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	671,794	767,859
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity
FY2022 (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	865,298	553,406	6,403,741	(410,004)	7,412,441
Changes in items during period					
Dividends of surplus			(2,007,267)		(2,007,267)
Profit attributable to owners of parent			671,945		671,945
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	—	(1,335,322)	—	(1,335,322)
Balance at end of current period	865,298	553,406	5,068,418	(410,004)	6,077,119

	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	2,592	2,592	7,415,033
Changes in items during period			
Dividends of surplus			(2,007,267)
Profit attributable to owners of parent			671,945
Net changes in items other than shareholders' equity	(150)	(150)	(150)
Total changes in items during period	(150)	(150)	(1,335,473)
Balance at end of current period	2,441	2,441	6,079,560

FY2023 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	865,298	553,406	5,068,418	(410,004)	6,077,119
Changes in items during period					
Dividends of surplus			(1,474,363)		(1,474,363)
Profit attributable to owners of parent			762,985		762,985
Purchase of treasury shares				(99)	(99)
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	—	(711,377)	(99)	(711,477)
Balance at end of current period	865,298	553,406	4,357,040	(410,104)	5,365,641

	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	2,441	2,441	6,079,560
Changes in items during period			
Dividends of surplus			(1,474,363)
Profit attributable to owners of parent			762,985
Purchase of treasury shares			(99)
Net changes in items other than shareholders' equity	4,873	4,873	4,873
Total changes in items during period	4,873	4,873	(706,604)
Balance at end of current period	7,314	7,314	5,372,956

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,068,502	1,068,221
Depreciation	295,666	323,319
Share-based remuneration expenses	3,000	—
Loss (gain) on investments in investment partnerships	(16,810)	6,587
Increase (decrease) in provision for bonuses	(28,178)	35,347
Increase (decrease) in provision for customer measure costs	171,430	—
Increase (decrease) in retirement benefit liability	3,237	5,397
Foreign exchange losses (gains)	1,181	960
Interest income	(24)	(19)
Dividend income	(282)	(292)
Interest expenses	1,065	1,072
Reversal of allowance for doubtful accounts	—	(4,320)
Decrease (increase) in trade receivables	470,116	154,577
Decrease (increase) in contract assets	8,468	5,707
Increase (decrease) in trade payables	(50,057)	(8,731)
Increase (decrease) in contract liabilities	(20,552)	17,600
Increase (decrease) in accounts payable—other	(8,509)	(8,265)
Other, net	(243,457)	234,444
Subtotal	1,654,797	1,831,607
Interest and dividends received	306	312
Interest paid	(1,062)	(981)
Payments into deposit money	—	(13,000)
Income taxes paid	(1,086,531)	(436,776)
Income taxes refund	51,029	444,809
Net cash provided by (used in) operating activities	618,540	1,825,971
Cash flows from investing activities		
Purchase of property, plant and equipment	(40,449)	(19,327)
Purchase of intangible assets	(317,376)	(286,421)
Payments of leasehold and guarantee deposits	(700)	—
Proceeds from refund of leasehold and guarantee deposits	2,208	—
Proceeds from sale of investment securities	19,356	10,728
Net cash provided by (used in) investing activities	(336,959)	(295,021)
Cash flows from financing activities		
Dividends paid	(2,005,837)	(1,474,771)
Purchase of treasury shares	—	(99)
Net cash provided by (used in) financing activities	(2,005,837)	(1,474,870)
Effect of exchange rate change on cash and cash equivalents	(1,181)	(960)
Net increase (decrease) in cash and cash equivalents	(1,725,439)	55,119
Cash and cash equivalents at beginning of period	5,767,794	4,042,354
Cash and cash equivalents at end of period	4,042,354	4,097,474

(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: 3

Name of consolidated subsidiary: IR Japan, Inc.
Japan Originated Investment Bank, Inc.
IRJ Business Consulting Staff, 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.

3. Application of the group tax sharing system

The group tax sharing system has been applied.

Changes in Presentation Methods

(Consolidated Statement of Income)

"Interest on tax refund," which had previously been included in "Miscellaneous income" under "Non-operating income" for the previous fiscal year, was reported separately from the fiscal year ended March 31, 2024, due to its increased monetary significance. In addition, "Gain on forfeiture of unclaimed dividends" and "Dividend income of insurance," which had previously been reported separately for the previous fiscal year, were included in "Miscellaneous income" from the fiscal year ended March 31, 2024, due to their decreased monetary significance. Consolidated financial statements for the previous fiscal year were restated in order to reflect this change in presentation method.

As a result, ¥240 thousand of "Gain on forfeiture of unclaimed dividends," ¥1,024 thousand of "Dividend income of insurance," and ¥2,760 thousand of "Miscellaneous income" under "Non-operating income" on the consolidated statement of income for the previous fiscal year were restated as "Interest on tax refund" of ¥668 thousand and "Miscellaneous income" of ¥3,357 thousand.

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, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Cash and deposits	4,077,354	4,132,474
Time deposits with a maturity longer than three months	(35,000)	(35,000)
Cash and cash equivalents	4,042,354	4,097,474

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, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Net assets per share	¥342.25	¥302. 47
Profit per share—basic	¥37.83	¥42. 95

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, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (Thousands of yen)	671,945	762,985
Profit not available to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to shares of common stock (Thousands of yen)	671,945	762,985
Weighted average number of shares of common stock during the fiscal year (Shares)	17,763,427	17,763,402

Significant Subsequent Events

None applicable