

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (J-GAAP)

August 1, 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  
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 Scheduled Date to Start Dividend Payment: —  
 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 for the Three Months Ended June 30, 2024 (from April 1, 2024 to June 30, 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	%
Three months ended June 30, 2024	1,881	-6.1	695	-22.4	694	-22.5	471	-22.8
Three months ended June 30, 2023	2,003	2.0	896	44.7	896	45.0	610	46.4

Note: Comprehensive income Three months ended June 30, 2024: 459 million yen (-24.9%)  
 Three months ended June 30, 2023: 611 million yen (46.6%)

	Profit per share—basic	Profit per share—diluted
	Yen	Yen
Three months ended June 30, 2024	26.54	—
Three months ended June 30, 2023	34.37	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	6,974	5,565	79.8
As of March 31, 2024	6,669	5,372	80.6

Reference: Shareholders' equity As of June 30, 2024: 5,565 million yen  
 As of March 31, 2024: 5,372 million yen

## 2. Dividends

	Full-year dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	15.00	—	15.00	30.00
Year ending March 31, 2025	—				
Year ending March 31, 2025 (Forecast)		—	—	—	—

Note: Revision of dividends forecast since last announcement: None

## 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) Significant changes in the scope of consolidation during the period: None  
Newly included: — Excluded: —

(2) Application of special accounting treatments in preparing quarterly consolidated financial statements: Yes  
Note: For details, please refer to “2. Consolidated Financial Statements and Primary Notes (3) Notes Relating to the Consolidated Financial Statements” on page 11.

(3) 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

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the period (including treasury shares)
 

As of June 30, 2024	17,839,710 shares
As of March 31, 2024	17,839,710 shares
- 2) Number of treasury shares at the end of the period
 

As of June 30, 2024	76,327 shares
As of March 31, 2024	76,327 shares
- 3) Average number of shares during the period
 

April – June 2024	17,763,383 shares
April – June 2023	17,763,427 shares

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

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. (3) Forward-looking Statements Including Consolidated Results Forecast” on page 7.

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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: Thursday, August 1, 2024

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Three Months Ended June 30, 2024

#### 1) General overview

(Millions of yen)

	Three months ended June 30, 2024 (April to June 2024)			Three months ended June 30, 2023 (April to June 2023)	
	Amount	Change	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	1,881	-121	-6.1	2,003	2.0
Operating profit	695	-200	-22.4	896	44.7
Ordinary profit	694	-201	-22.5	896	45.0
Profit attributable to owners of parent	471	-139	-22.8	610	46.4
(Reference) EBITDA	779	-194	-20.0	974	40.7

Note: EBITDA = Ordinary profit + Interest expenses + Depreciation

During the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024), net sales decreased 6.1% year on year, to ¥1,881 million. In terms of profits, due to active investment in human resources, operating profit decreased 22.4% year on year, to ¥695 million, ordinary profit decreased 22.5% year on year, to ¥694 million and profit attributable to owners of parent decreased 22.8% year on year, to ¥471 million. EBITDA decreased 20.0% year on year, to ¥779 million.

During the three months ended June 30, 2024, activists targeting listed companies intensified and diversified their activities, and the number of shareholder proposals submitted by activists remained at record-high levels. They made wide-ranging comments on business strategies, corporate governance, stock price and capital efficiency improvements, and reductions of cross-shareholdings. Voting in favor of these shareholder proposals has also been at record-high levels, and certain shareholder proposals have been approved.

Regarding contingency response projects\*<sup>1</sup> related to responses to activists, ownership battles and responses to M&As, among others, contracts for PA services\*<sup>2</sup> and FA services\*<sup>3</sup> centering on ownership battles have decreased. However, regarding projects that are centered on PA/FA response to activists, the number of entrustments has remained at the same level of the previous fiscal year.

Regarding ordinary response projects\*<sup>4</sup> such as shareholder identification surveys, the number of new and additional project contracts increased from the second half of the previous fiscal year, including annual retainer contracts related to equity consulting services, based on the strong relationship of trust with our clients, and this trend has continued into the current fiscal year.

In Japan's capital markets, the Nikkei Stock Average is continuing to record its highest level in the last 34 years, amid rising expectations for "management that is conscious of cost of capital and stock price." On the other hand, cross-shareholdings are being cancelled and institutional investors and financial institutions are becoming increasingly strict about exercising voting rights. Shareholder meeting proposals have faced higher opposition rates, and the stable securing of voting rights is increasingly becoming a focus of attention. Moreover, as for the corporate restructuring and M&A areas, there has been a rise in activist activities targeting listed companies. Recently, there has also been a spread of hostile TOBs implemented by operating companies. These trends, coupled with changes in financial institutions' attitudes towards acquisition financing and FA acceptances, are expected to increase further. As shown in the Group's key concept, the "Power of Equity®\*<sup>5</sup>," capital risks that significantly affect the survival and control of listed companies are increasing, 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.

Overview of net sales by service type

(Millions of yen)

Service	Three months ended June 30, 2024 (April to June 2024)			Three months ended June 30, 2023 (April to June 2023)	
	Net sales	Percentage of net sales	Percentage change (YoY)	Net sales	Percentage change (YoY)
IR/SR Consulting	1,785	94.9	-6.7	1,912	3.1
Disclosure Consulting	71	3.8	12.1	63	-10.9
Databases and Other	25	1.3	-6.9	27	-29.1
Total	1,881	100.0	-6.1	2,003	2.0

### (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)
	Number of Projects	Amount	Amount
Three months ended June 30, 2024	8	461	1,420
Three months ended June 30, 2023	9	671	1,331
Change	-1	-210	89

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

(Millions of yen)

Types of project	Three months ended June 30, 2024	Three months ended June 30, 2023	Change
PA/FA for ownership battles	—	148	-148
PA/FA response to activists	339	359	-19
Company-side FA (M&As, etc.)	121	164	-43
Total	461	671	-210

The sales amount of large-scale projects (amounting to ¥50 million or more) for the fiscal year under review decreased 31.3% year on year, to ¥461 million. This was mainly due to a decrease in the number of 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) increased 6.7% year on year, to ¥1,420 million, as the number of new and additional project contracts increased from the second half of the previous fiscal year, including annual retainer contracts related to equity consulting services, based on the strong relationship of trust with our clients.

### (c) Breakdown of contingency response projects and ordinary response projects

(Millions of yen)

	Contingency response projects	Ordinary response projects
Three months ended June 30, 2024	702	1,179
Three months ended June 30, 2023	839	1,163
Change	-137	15

The sales amount of contingency response projects related to responses to activists, ownership battles and responses to M&As for the period under review decreased 16.3% year on year, to ¥702 million, mainly due to a decrease in the number of contracts for projects that are centered on PA/FA projects for ownership battles.

The sales amount of ordinary response projects such as shareholder identification surveys for the period under review increased 1.4% year on year, to ¥1,179 million. From the second half of the previous fiscal year, the number of new and additional project contracts increased, including annual retainer contracts related to equity consulting services, based on the strong relationship of trust with our clients.

In the stock transfer agency business, as of June 30, 2024, entrustments with 65 companies have been completed, and the number of shareholders under administration reached 398,839 (compared with entrustments concluded with 64 companies and 401,473 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 (PA: comprehensive strategy planning and execution of proxy fights, convocation of and responses to extraordinary general meeting of shareholders, collection and tabulation of proxies, etc.), financial advisory (FA: responses to hostile TOBs, treasury shares TOBs, acceptance simulation of TOBs, comprehensive strategy planning and execution of M&As and MBO, etc.), and the stock transfer agency business.

Sales from IR/SR Consulting for the period under review decreased 6.7% year on year, to ¥1,785 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 period under review increased 12.1% from the same period of the previous fiscal year, to ¥71 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 period under review decreased 6.9% from the same period of the previous fiscal year, to ¥25 million.

## (2) Overview of Financial Position for the Three Months Ended June 30, 2024

### 1) Assets

Total assets of the Group as of June 30, 2024 increased ¥304 million from the end of the previous fiscal year, to ¥6,974 million, due primarily to increases in cash and deposits of ¥115 million and notes and accounts receivable—trade, and contract assets of ¥218 million.

### 2) Liabilities

Total liabilities of the Group as of June 30, 2024 increased ¥111 million from the end of the previous fiscal year, to ¥1,408 million, due primarily to increases in other (current liabilities) of ¥143 million and accounts payable—other of ¥45 million and a decrease in provision for bonuses of ¥96 million.

### 3) Net assets

Net assets of the Group as of June 30, 2024 increased ¥192 million from the end of the previous fiscal year, to ¥5,565 million, due primarily to an increase in retained earnings of ¥471 million from profit

attributable to owners of parent and a decrease in retained earnings of ¥266 million as a result of payment of dividends.

(3) Forward-looking Statements Including Consolidated Results Forecast

1) Forecast for consolidated operating results for the fiscal year ending March 31, 2025

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.

2) Basic policy concerning the distribution of profits and dividend distributions for the fiscal year ending March 31, 2025

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.

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 the Company 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, 2024	Fiscal year ending March 31, 2025
Dividend per share	30 yen	NYD
Interim dividend	15 yen	NYD
Year-end dividend	15 yen	NYD
Dividend payout ratio	69.8%	NYD

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	4,132,474	4,248,064
Notes and accounts receivable—trade, and contract assets	472,204	690,694
Work in process	5,703	4,693
Other	247,575	246,576
<b>Total current assets</b>	<b>4,857,958</b>	<b>5,190,029</b>
Non-current assets		
Property, plant and equipment	303,482	293,088
Intangible assets		
Software	720,041	726,870
Other	98,158	76,976
<b>Total intangible assets</b>	<b>818,200</b>	<b>803,846</b>
Investments and other assets		
Other	757,251	754,111
Allowance for doubtful accounts	(66,960)	(66,960)
<b>Total investments and other assets</b>	<b>690,291</b>	<b>687,151</b>
<b>Total non-current assets</b>	<b>1,811,974</b>	<b>1,784,086</b>
<b>Total assets</b>	<b>6,669,932</b>	<b>6,974,115</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	30,617	38,046
Short-term borrowings	200,000	200,000
Accounts payable—other	153,594	199,295
Income taxes payable	241,446	232,324
Contract liabilities	61,185	78,259
Provision for bonuses	165,953	69,390
Provision for customer measure costs	171,430	171,430
Other	206,347	350,291
<b>Total current liabilities</b>	<b>1,230,575</b>	<b>1,339,038</b>
Non-current liabilities		
Long-term accounts payable—other	45,863	45,863
Retirement benefit liability	20,537	23,488
<b>Total non-current liabilities</b>	<b>66,401</b>	<b>69,351</b>
<b>Total liabilities</b>	<b>1,296,976</b>	<b>1,408,390</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	865,298	865,298
Capital surplus	553,406	553,406
Retained earnings	4,357,040	4,561,958
Treasury shares	(410,104)	(410,104)
<b>Total shareholders' equity</b>	<b>5,365,641</b>	<b>5,570,559</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,314	(4,834)
<b>Total accumulated other comprehensive income</b>	<b>7,314</b>	<b>(4,834)</b>
<b>Total net assets</b>	<b>5,372,956</b>	<b>5,565,725</b>
<b>Total liabilities and net assets</b>	<b>6,669,932</b>	<b>6,974,115</b>



(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income  
For the Three Months Ended June 30, 2024

	(Thousands of yen)	
	Three Months of FY2023 (from April 1, 2023 to June 30, 2023)	Three Months of FY2024 (from April 1, 2024 to June 30, 2024)
Net sales	2,003,178	1,881,803
Cost of sales	276,526	304,758
Gross profit	1,726,651	1,577,044
Selling, general and administrative expenses	830,450	881,311
Operating profit	896,201	695,733
Non-operating income		
Interest income	0	0
Dividend income	292	384
Gain on forfeiture of unclaimed dividends	313	—
Other	797	285
Total non-operating income	1,403	669
Non-operating expenses		
Interest expenses	265	347
Loss on sale of notes receivable—trade	11	—
Foreign exchange losses	1,012	1,357
Total non-operating expenses	1,290	1,704
Ordinary profit	896,315	694,698
Profit before income taxes	896,315	694,698
Total income taxes	285,765	223,329
Profit	610,549	471,368
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	610,549	471,368

Consolidated Statement of Comprehensive Income  
For the Three Months Ended June 30, 2024

	(Thousands of yen)	
	Three Months of FY2023 (from April 1, 2023 to June 30, 2023)	Three Months of FY2024 (from April 1, 2024 to June 30, 2024)
Profit	610,549	471,368
Other comprehensive income		
Valuation difference on available-for-sale securities	714	(12,148)
Total other comprehensive income	714	(12,148)
Comprehensive income	611,264	459,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	611,264	459,219
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Relating to the Consolidated Financial Statements

Application of Special Accounting Treatments in Preparing Consolidated Financial Statements

Regarding tax expenses, the Company reasonably estimates an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year in which the first quarter of the fiscal year ending March 31, 2025 is included, and calculates tax expenses by multiplying quarterly profit before income taxes by the estimated effective tax rate.

Notes Regarding Segment Information and Others

This is not applicable as the Group engages in consulting business specializing in IR/SR activities, which constitutes a single business segment.

Notes Regarding Significant Changes in the Amount of Shareholders' Equity

None applicable

Notes Relating to the Going Concern Assumption

None applicable

Notes Relating to the Statement of Cash Flows

The Company has not prepared a quarterly consolidated statement of cash flows for the three months ended June 30, 2024. Depreciation (including amortization of intangible assets) for the three months ended June 30, 2024 is as follows.

	(Thousands of yen)	
	Three Months of FY2023 (from April 1, 2023 to June 30, 2023)	Three Months of FY2024 (from April 1, 2024 to June 30, 2024)
Depreciation	77,627	84,703