

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (J-GAAP)

November 10, 2022

Listed Company Name: IR Japan Holdings, Ltd.  
 Securities Code: 6035  
 Listing: Tokyo Stock Exchange URL: <https://www.irjapan.jp/>  
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 President and Chief Executive Officer  
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 Director and General Manager, Corporate Planning Department Tel.: +81-3-3519-6750  
 Scheduled Date to Submit Quarterly Securities Report: November 11, 2022  
 Scheduled Date to Start Dividend Payment: December 1, 2022  
 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 Six Months Ended September 30, 2022

(from April 1, 2022 to September 30, 2022)

#### (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	%
Six months ended September 30, 2022	3,080	-27.2	492	-72.3	496	-72.1	348	-71.8
Six months ended September 30, 2021	4,230	3.1	1,779	-12.6	1,775	-12.6	1,233	-10.7

Note: Comprehensive income Six months ended September 30, 2022: 347 million yen (-71.8%)  
 Six months ended September 30, 2021: 1,234 million yen (-10.5%)

	Profit per share—basic	Profit per share—diluted
	Yen	Yen
Six months ended September 30, 2022	19.61	—
Six months ended September 30, 2021	69.45	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	7,762	6,555	84.4
As of March 31, 2022	9,027	7,415	82.1

Reference: Shareholders' equity As of September 30, 2022: 6,555 million yen  
 As of March 31, 2022: 7,415 million yen

## 2. Dividends

	Full-year dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	45.00	—	68.00	113.00
Fiscal year ending March 31, 2023	—	45.00			
Fiscal year ending March 31, 2023 (Forecast)			—	68.00	113.00

Note: Revision of dividends forecast since last announcement: None

## 3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,437	-35.3	530	-84.8	575	-83.5	390	-84.0	21.96

Note: Revision of consolidated results forecast since last announcement: Yes

For the consolidated results forecast, please refer to the “Announcement of Differences in Consolidated Results for the Six Months Ended September 30, 2022, from the Actual Results of the Same Period of the Previous Year, and the Full-year Results Forecast” announced today, November 10, 2022.

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) 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 (4) Notes Relating to the Consolidated Financial Statements” on page 15.

(3) Change in accounting policies, accounting estimates, and retrospective restatements  
1) Change in accounting policies in accordance with revision of accounting standards: Yes  
2) Change in accounting policies other than item 1) above: None  
3) Change in accounting estimates: None  
4) Retrospective restatements: None

Note: For details, please refer to “2. Consolidated Financial Statements and Primary Notes (4) Notes Relating to the Consolidated Financial Statements” on page 15.

(4) Number of shares issued (common stock)

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

As of September 30, 2022 17,839,710 shares

As of March 31, 2022 17,839,710 shares

2) Number of treasury shares at the end of the period

As of September 30, 2022 76,283 shares

As of March 31, 2022 76,283 shares

3) Average number of shares during the period

April – September 2022 17,763,427 shares

April – September 2021 17,762,884 shares

The quarterly review procedure by a certified public accountant or an auditing firm does not apply to this Summary of Consolidated 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. Qualitative Information on Financial Results for the Six Months Ended September 30, 2022 (4) Forward-looking Statements Including Consolidated Results Forecast” on page 9.

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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, November 10, 2022

## 1. Qualitative Information on Financial Results for the Six Months Ended September 30, 2022

### (1) Operating Results

#### 1) General overview

(Millions of yen)

	Six months ended September 30, 2022 (April to September 2022)			Six months ended September 30, 2021 (April to September 2021)	
	Amount	Change	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	3,080	-1,149	-27.2	4,230	3.1
Operating profit	492	-1,287	-72.3	1,779	-12.6
Ordinary profit	496	-1,279	-72.1	1,775	-12.6
Profit attributable to owners of parent	348	-885	-71.8	1,233	-10.7
(Reference) EBITDA	644	-1,250	-66.0	1,894	-11.6

Note: EBITDA = Ordinary profit + Interest expenses + Depreciation

We sincerely apologize for the significant inconvenience caused by the commencement of the investigation of a former executive of the Company by the Securities and Exchange Surveillance Commission on June 1, 2022. In response to the investigation of a former executive of the Company by the Securities and Exchange Surveillance Commission, the Group established its own Investigation Committee made up entirely of neutral and impartial outside experts who are independent from the Group. Subsequently, the Group received an investigation report from the Investigation Committee on August 30, 2022. The Group has taken the results of the investigation and the recommendations by the Investigation Committee very seriously, and on September 27, 2022, disclosed the measures for improving the information management framework and enhancement of the governance framework. By working together as the Group to solidly implement these improvement measures, the Group shall strive to improve and reinforce its information management framework in an effort to enhance the Group's governance framework.

During the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022), both sales and profits declined significantly, as net sales decreased 27.2% year on year, to ¥3,080 million, operating profit decreased 72.3% year on year, to ¥492 million, ordinary profit decreased 72.1% year on year, to ¥496 million and profit attributable to owners of parent decreased 71.8% year on year, to ¥348 million. EBITDA decreased 66.0% year on year, to ¥644 million.

During the six months ended September 30, 2022, we made efforts to regain our clients' trust in the Group, by placing a priority on providing explanations to our clients and other related parties regarding the series of events and the investigation report. With regard to normal projects (amounting to less than ¥50 million) in equity consulting services, despite certain existing clients canceling their contracts since June 2022 due to the effects of the investigations by the Securities and Exchange Surveillance Commission and other events, we are continuing to receive contracts for comprehensive equity consulting services based on the relationship of trust that our clients have shown toward the Group's services. Regarding large-scale projects (amounting to ¥50 million or more), the number of contracts decreased significantly from June 2022 onward, due to factors such as the impact of us not being able to proactively offer and execute proposals that could lead a wide variety of business reorganizations and M&As in the PA services\*<sup>1</sup> and FA services\*<sup>2</sup> centering on ownership battles. Additionally, operating profit, ordinary profit and profit attributable to owners of parent declined significantly compared to those of the same period of the previous fiscal year, due to a decrease in net sales and an increase in selling, general and administrative expenses resulting from the series of expenses incurred in dealing with the Investigation Committee, among others.

Meanwhile, the presence of Japanese companies in the global market is quickly diminishing and the re-allocation of management resources through M&As and business reorganization and the reduction and shakeout of listed companies are expected to further accelerate. Such trends have already become evident in the latest project that the Group has been involved in. Companies in every market cap category are being exposed to management control risks, including acquisition proposals from overseas companies on the back of the weakening yen, hostile TOBs across industries between Japanese companies, and intensified activity by activists, which are becoming catalysts to such changes.

The Group has transitioned to a new management structure, effective November 1, 2022, with the aim of strengthening its governance structure to further improve its corporate value. Many clients continue to seek the unparalleled services of the Group, which is considered to be ideally suited to responding to future dramatic changes in Japan's capital markets. Under our new management structure, we will utilize our unique database related to the most advanced market intelligence, ESG information, and contingency

planning for TOBs and proxy fights, and leverage both our consulting services related to the shareholder voting rights and M&A advisory services related to management control, while standing by the side of our clients and thoroughly supporting them from both the offense and defense sides, and further deepen our unparalleled equity consulting.

\*1 PA services: Proxy Advisory services (Proxy fight services, in which the Company boasts an overwhelmingly successful track record)

\*2 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)

## 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	Six months ended September 30, 2022 (April to September 2022)			Six months ended September 30, 2021 (April to September 2021)	
	Net sales	Percentage of net sales	Percentage change (YoY)	Net sales	Percentage change (YoY)
IR/SR Consulting	2,829	91.9	-27.5	3,904	3.0
Disclosure Consulting	178	5.8	-27.0	245	8.3
Databases and Other	72	2.3	-10.7	80	-4.6
Total	3,080	100.0	-27.2	4,230	3.1

### 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, placement agents (in capital increases through third-party allotment), comprehensive strategy planning and execution of M&As and MBO, etc.), and the stock transfer agency business. During the period under review, net sales from IR/SR Consulting decreased 27.5% year on year, to ¥2,829 million.

### (a) Breakdown of large-scale projects (amounting to ¥50 million or more) and normal projects (amounting to less than ¥50 million) during the six months ended September 30, 2022

	Large-scale projects (¥50 million or more)		Normal projects (less than ¥50 million)
	Number	Amount (Millions of yen)	Amount (Millions of yen)
Six months ended September 30, 2022	6	414	2,665
Six months ended September 30, 2021	13	1,692	2,538
Change	-7	-1,277	127

(b) Types and sales amount of large-scale projects (amounting to ¥50 million or more) for the six months ended September 30, 2022

Types of project	Six months ended September 30, 2022	Six months ended September 30, 2021	Change
PA/FA for ownership battles	68	948	-880
PA/FA for activist responses	266	381	-114
Company-side FA (MBOs, etc.)	80	310	-230
Large-scale SR/PA	—	52	-52
Total	414	1,692	-1,277

The number of contracts of large-scale projects (amounting to ¥50 million or more) for the period under review declined 75.5% year on year, to ¥414 million. The number of contracts decreased significantly, due to the impact of us not being able to proactively offer and execute proposals that could lead a wide variety of business reorganizations and M&As in the PA services and FA services centering on ownership battles.

Meanwhile, the number of contracts of normal projects (amounting to less than ¥50 million) for the period under review increased 5.0% year on year, to ¥2,665 million. In addition to our traditional shareholder identification surveys and SR advisory services, which aim to secure stable voting rights, contracts progressed solidly for our unique and high-level comprehensive equity consulting services related to corporate defense and the enhancement of corporate value.

In the stock transfer agency business, as of September 30, 2022, entrustments with 68 companies have been completed, and the number of shareholders under administration reached 411,033 (compared with entrustments concluded with 73 companies and 403,446 shareholders under administration in the previous fiscal year). On August 20, 2021, the Group concluded a business alliance agreement relating to the stock transfer agency business with SMBC Trust Bank Ltd. Upon obtaining the approval of the relevant authorities, SMBC Trust Bank Ltd. entered the stock transfer agency business in December 2021, and the Group will engage in administrative services relating to the stock transfer agency business entrusted to SMBC Trust Bank Ltd. Through this business alliance, we will proactively promote the expansion of the number of entrustments, for companies making initial public offerings.

#### 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 decreased 27.0% from the same period of the previous fiscal year, to ¥178 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 10.7% from the same period of the previous fiscal year, to ¥72 million.

## (2) Financial Position

### 1) Assets

Total assets of the Group as of September 30, 2022 decreased ¥1,264 million from the end of the previous fiscal year, to ¥7,762 million, due primarily to decreases in cash and deposits of ¥560 million and notes and accounts receivable—trade, and contract assets of ¥657 million.

## 2) Liabilities

Total liabilities of the Group as of September 30, 2022 decreased ¥404 million from the end of the previous fiscal year, to ¥1,207 million, due primarily to a decrease in income taxes payable of ¥465 million and an increase in contract liabilities of ¥123 million.

## 3) Net assets

Net assets of the Group as of September 30, 2022 decreased ¥860 million from the end of the previous fiscal year, to ¥6,555 million, due primarily to an increase in retained earnings of ¥348 million from profit attributable to owners of parent and a decrease in retained earnings of ¥1,207 million as a result of payment of dividends.

## (3) Overview of Cash Flows

Cash and cash equivalents of the Group as of September 30, 2022 decreased ¥560 million from the end of the previous fiscal year, to ¥5,207 million. Cash flows during the period under review are as follows.

### Cash flows from operating activities

Net cash provided by operating activities was ¥834 million (¥1,185 million in the same period of the previous fiscal year).

Major sources were profit before income taxes of ¥496 million and depreciation of ¥148 million posted, and a decrease in trade receivables and contract assets of ¥657 million, income taxes paid of ¥612 million and an increase in contract liabilities of ¥123 million.

### Cash flows from investing activities

Net cash used in investing activities was ¥188 million (¥251 million in the same period of the previous fiscal year).

Major source of cash outflow was purchase of intangible assets of ¥168 million.

### Cash flows from financing activities

Net cash used in financing activities was ¥1,207 million (¥887 million in the same period of the previous fiscal year).

Major source of cash outflow was cash dividends paid of ¥1,207 million.



(4) Forward-looking Statements Including Consolidated Results Forecast

1) Forecast for consolidated operating results for the fiscal year ending March 31, 2023  
(as of November 10, 2022)

(Millions of yen)

	Forecast			Actual	
	Fiscal year ending March 31, 2023			Fiscal year ended March 31, 2022	
	Amount	Amount change (YoY)	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	5,437	-2,965	-35.3	8,402	1.4
Operating profit	530	-2,959	-84.8	3,489	-14.5
Ordinary profit	575	-2,902	-83.5	3,477	-14.6
Profit attributable to owners of parent	390	-2,044	-84.0	2,434	-13.1

The Company had not disclosed its consolidated results forecast for the fiscal year ending March 31, 2023, due to the difficulty of making a highly accurate forecast regarding the number and scale of projects to be contracted during a specific period. However, in light of the performance trends for the six months ended September 30, 2022, the Company has decided to disclose its consolidated results forecast, as it greatly differs from the actual results of the previous fiscal year, and we expect a significant decline in both sales and profits due to continuing effects of the series of investigations and other events in the second half of the fiscal year and beyond. This consolidated results forecast is calculated based on projects already contracted at present.

With regard to normal projects (amounting to less than ¥50 million), despite certain existing clients canceling their contracts and some effects of us not being able to proactively draft proposals regarding equity consulting services due to the effects of the series of the investigations and other events, we are continuing to receive contracts for comprehensive equity consulting services as a whole, based on the relationship of trust that our clients have shown toward the Group's services. We also expect a decrease in the number of large-scale projects (amounting to ¥50 million or more) to be completed in the second half of the fiscal year to continue at present, as a result of effects of us not being able to proactively offer and execute proposals that could lead a wide variety of business reorganizations and M&As in the PA services and FA services centering on ownership battles from June 2022 onward.

2) Basic policy concerning the distribution of profits and dividend distributions for the fiscal year ending March 31, 2023

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 ending March 31, 2023, the Company has resolved to pay ¥45 per share as an interim dividend, as the establishment of the business structure is progressing solidly and medium- to long-term growth in sales and profits are expected, despite decreases in net sales and profits. As for the year-end dividend, the Company currently expects to pay ¥68 per share. Accordingly, the full-year dividend including the interim dividend is scheduled to be ¥113 per share.

In addition, the Company plans to acquire its treasury shares in a timely, appropriate, and flexible manner.

	Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2023 (Forecast)
Dividend per share	113 yen	113 yen
Interim dividend	45 yen	45 yen
Year-end dividend	68 yen	68 yen
Dividend payout ratio	82.4%	514.7%

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

	(Thousands of yen)	
	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,802,794	5,242,339
Notes and accounts receivable—trade, and contract assets	1,089,474	432,028
Work in process	6,835	6,338
Other	303,981	229,161
<b>Total current assets</b>	<b>7,203,085</b>	<b>5,909,867</b>
Non-current assets		
Property, plant and equipment	388,452	361,125
Intangible assets		
Software	697,949	687,941
Other	9,607	78,074
<b>Total intangible assets</b>	<b>707,557</b>	<b>766,016</b>
Investments and other assets		
Other	799,434	797,206
Allowance for doubtful accounts	(71,280)	(71,280)
<b>Total investments and other assets</b>	<b>728,154</b>	<b>725,926</b>
<b>Total non-current assets</b>	<b>1,824,163</b>	<b>1,853,068</b>
<b>Total assets</b>	<b>9,027,248</b>	<b>7,762,935</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	89,405	50,330
Short-term borrowings	200,000	200,000
Accounts payable—other	189,231	266,365
Income taxes payable	653,478	188,134
Contract liabilities	64,137	187,175
Provision for bonuses	158,784	138,773
Other	194,563	116,003
<b>Total current liabilities</b>	<b>1,549,601</b>	<b>1,146,783</b>
Non-current liabilities		
Long-term accounts payable—other	50,710	45,863
Retirement benefit liability	11,902	15,270
<b>Total non-current liabilities</b>	<b>62,613</b>	<b>61,133</b>
<b>Total liabilities</b>	<b>1,612,214</b>	<b>1,207,917</b>

	(Thousands of yen)	
	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	865,298	865,298
Capital surplus	553,406	553,406
Retained earnings	6,403,741	5,544,213
Treasury shares	(410,004)	(410,004)
Total shareholders' equity	7,412,441	6,552,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,592	2,104
Total accumulated other comprehensive income	2,592	2,104
Total net assets	7,415,033	6,555,018
Total liabilities and net assets	9,027,248	7,762,935

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income  
For the Six Months Ended September 30, 2022

	(Thousands of yen)	
	Six Months of FY2021 (from April 1, 2021 to September 30, 2021)	Six Months of FY2022 (from April 1, 2022 to September 30, 2022)
Net sales	4,230,419	3,080,443
Cost of sales	632,825	535,708
Gross profit	3,597,594	2,544,735
Selling, general and administrative expenses	1,817,627	2,052,391
Operating profit	1,779,966	492,344
Non-operating income		
Interest income	9	12
Dividend income	210	282
Gain on forfeiture of unclaimed dividends	38	—
Compensation for damage received	—	5,279
Other	604	1,915
Total non-operating income	863	7,489
Non-operating expenses		
Interest expenses	718	534
Loss on sale of notes receivable—trade	160	193
Foreign exchange losses	332	1,813
Loss on investments in investment partnerships	1,435	1,071
Loss on extinguishment of share-based remuneration expenses	2,750	—
Total non-operating expenses	5,396	3,612
Ordinary profit	1,775,433	496,220
Profit before income taxes	1,775,433	496,220
Total income taxes	541,814	147,835
Profit	1,233,618	348,385
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,233,618	348,385

Consolidated Statement of Comprehensive Income  
For the Six Months Ended September 30, 2022

	(Thousands of yen)	
	Six Months of FY2021 (from April 1, 2021 to September 30, 2021)	Six Months of FY2022 (from April 1, 2022 to September 30, 2022)
Profit	1,233,618	348,385
Other comprehensive income		
Valuation difference on available-for-sale securities	1,346	(488)
Total other comprehensive income	1,346	(488)
Comprehensive income	1,234,965	347,897
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,234,965	347,897
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months of FY2021 (from April 1, 2021 to September 30, 2021)	Six Months of FY2022 (from April 1, 2022 to September 30, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,775,433	496,220
Depreciation	118,939	148,112
Share-based remuneration expenses	13,835	3,000
Loss (gain) on investments in investment partnerships	1,435	1,071
Increase (decrease) in provision for bonuses	72,116	(20,011)
Increase (decrease) in retirement benefit liability	1,018	3,367
Foreign exchange losses (gains)	(321)	(512)
Interest income	(9)	(12)
Dividend income	(210)	(282)
Interest expenses	718	534
Loss on extinguishment of share-based remuneration expenses	2,750	—
Decrease (increase) in trade receivables and contract assets	97,071	657,445
Increase (decrease) in trade payables	(19,397)	(39,075)
Increase (decrease) in contract liabilities	(5,182)	123,038
Increase (decrease) in accounts payable—other	(13,797)	86,495
Other, net	(55,552)	(62,319)
Subtotal	1,988,847	1,397,075
Interest and dividends received	220	294
Interest paid	(618)	(534)
Income taxes paid	(802,673)	(612,900)
Income taxes refund	—	51,029
Net cash provided by (used in) operating activities	1,185,775	834,964
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(33,140)	(19,144)
Purchase of intangible assets	(181,353)	(168,986)
Payments of leasehold and guarantee deposits	(36,856)	—
Net cash provided by (used in) investing activities	(251,350)	(188,130)
<b>Cash flows from financing activities</b>		
Dividends paid	(887,427)	(1,207,801)
Net cash provided by (used in) financing activities	(887,427)	(1,207,801)
Effect of exchange rate change on cash and cash equivalents	321	512
Net increase (decrease) in cash and cash equivalents	47,319	(560,454)
Cash and cash equivalents at beginning of period	5,388,053	5,767,794
Cash and cash equivalents at end of period	5,435,372	5,207,339

(4) Notes Relating to the Consolidated Financial Statements

Notes Relating to the Going Concern Assumption

None applicable

Notes Regarding Significant Changes in the Amount of Shareholders' Equity

None applicable

Application of Special Accounting Treatments in Preparing Consolidated Financial Statements

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 second quarter of the fiscal year ending March 31, 2023 is included, and calculates tax expenses by multiplying quarterly profit before income taxes by the estimated effective tax rate.

Changes in Accounting Policies

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) effective from the beginning of the first quarter of the fiscal year ending March 31, 2023, and in accordance with the transitional treatment provided for in paragraph 27-2 of the guidance, the Company will apply the new accounting policy prescribed by the guidance into the future. This has no impact on the consolidated financial statements.

Additional Information

(Application of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and its consolidated subsidiaries transitioned from the consolidated taxation system to the group tax sharing system from the first quarter of the fiscal year ending March 31, 2023. Accordingly, the Company and its consolidated subsidiaries comply with the treatment prescribed in the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021) regarding the accounting treatment and disclosure of corporate and local income taxes and tax effect accounting. In addition, the changes in accounting policies in conjunction with the application of the PITF No. 42, in accordance with paragraph 32-1 of the PITF No. 42, are deemed to have no effect.

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.