

## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (J-GAAP)

May 12, 2023

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 16, 2023  
 Scheduled Date to Start Dividend Payment: June 19, 2023  
 Scheduled Date to Submit Securities Report: June 19, 2023  
 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, 2022 to March 31, 2023)

#### (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, 2023	6,012	-28.4	1,115	-68.0	1,239	-64.3	671	-72.4
Year ended March 31, 2022	8,402	1.4	3,489	-14.5	3,477	-14.6	2,434	-13.1

Note: Comprehensive income Year ended March 31, 2023: 671 million yen (-72.4%)  
 Year ended March 31, 2022: 2,436 million yen (-13.1%)

	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, 2023	37.83	—	10.0	15.1	18.6
Year ended March 31, 2022	137.07	—	34.6	39.9	41.5

Reference: Equity in earnings (losses) of affiliates Year ended March 31, 2023: — million yen  
 Year ended March 31, 2022: — 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, 2023	7,362	6,079	82.6	342.25
As of March 31, 2022	9,027	7,415	82.1	417.43

Reference: Shareholders' equity As of March 31, 2023: 6,079 million yen  
 As of March 31, 2022: 7,415 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, 2023	618	(336)	(2,005)	4,042
Year ended March 31, 2022	2,602	(537)	(1,686)	5,767

### 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	%	%
Fiscal year ended March 31, 2022	—	45.00	—	68.00	113.00	2,007	82.4	28.5
Fiscal year ended March 31, 2023	—	45.00	—	68.00	113.00	2,007	298.7	29.7
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	—	—		—	

### 3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2024

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

The Company has not announced its consolidated results forecast for the fiscal year ending March 31, 2024 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: 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 “3. Consolidated Financial Statements and Primary Notes (5) Notes Relating to the Consolidated Financial Statements” on page 14.

#### (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, 2023 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 March 31, 2023 76,283 shares

As of March 31, 2022 76,283 shares

3) Average number of shares during the period

Year ended March 31, 2023 17,763,427 shares

Year ended March 31, 2022 17,763,155 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results (from April 1, 2022 to March 31, 2023)

(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, 2023	1,953	-27.2	1,376	-44.0	1,499	-38.8	1,379	-39.1
Year ended March 31, 2022	2,684	-1.2	2,459	-1.9	2,450	-1.7	2,266	-2.2

	Profit per share— basic	Profit per share— diluted
	Yen	Yen
Year ended March 31, 2023	77.67	—
Year ended March 31, 2022	127.59	—

(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, 2023	4,543	4,285	94.3	241.27
As of March 31, 2022	5,292	4,913	92.8	276.59

Reference: Shareholders' equity As of March 31, 2023: 4,285 million yen  
As of March 31, 2022: 4,913 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 6.

Contents of the Attachment

<b>1. Overview of Operating Results, etc.</b> .....	5
(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2023.....	5
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2023 .....	8
(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2023.....	8
(4) Business Forecast for the Future .....	9
(5) Basic Policy Concerning the Distribution of Profits and Dividend Distributions for the Fiscal Year Ended March 31, 2023 and the Following Fiscal Year.....	9
<b>2. Basic Approach to the Selection of Accounting Standards</b> .....	9
<b>3. Consolidated Financial Statements and Primary Notes</b> .....	10
(1) Consolidated Balance Sheets.....	10
(2) Consolidated Statements of Income and Comprehensive Income.....	12
(3) Consolidated Statement of Changes in Equity .....	14
(4) Consolidated Statement of Cash Flows .....	16
(5) Notes Relating to the Consolidated Financial Statements .....	17
Notes Relating to the Going Concern Assumption.....	17
Significant Matters for the Basis of Preparation of the Consolidated Financial Statements .....	17
Changes in Accounting Policies .....	17
Changes in Presentation Methods .....	17
Additional Information.....	17
Consolidated Statement of Cash Flows .....	18
Segment Information .....	18
Per Share Information .....	18
Reference.....	19

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: Friday, May 12, 2023

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year Ended March 31, 2023

#### 1) General overview

(Millions of yen)

	Fiscal 2022 (April 2022 to March 2023)			Fiscal 2021 (April 2021 to March 2022)	
	Amount	Change	Percentage change (YoY)	Amount	Percentage change (YoY)
Net sales	6,012	-2,390	-28.4	8,402	1.4
Operating profit	1,115	-2,373	-68.0	3,489	-14.5
Ordinary profit	1,239	-2,237	-64.3	3,477	-14.6
Profit attributable to owners of parent	671	-1,762	-72.4	2,434	-13.1
(Reference) EBITDA	1,536	-2,202	-58.9	3,738	-13.1

Note: EBITDA = Ordinary profit + Interest expenses + Depreciation

We sincerely apologize for the significant inconvenience caused by recent events including 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 received an investigation report from the Investigation Committee on August 30, 2022. The Group has taken the results of the investigation and the recommendations of the Investigation Committee very seriously, and has been implementing the measures disclosed on September 27, 2022 for improving the information management framework and enhancing the governance framework of the Group.

However, regarding the article related to the Company published by DIAMOND Online on November 10, 2022, the Company has determined that an investigation should be launched as soon as possible to uncover the facts in detail, and has established its own third-party committee. On March 7, 2023, the Group received the investigation results and recommendations from the third-party committee and gave them the serious consideration that they deserve. In response, the Recurrence Prevention Committee was established, and the Group's Conflicts of Interest Management Policy was formulated and released on March 30, 2023. The Group has been steadily implementing the measures disclosed on September 27, 2022 for improving the information management framework and the governance framework of the Group, and at the same time has been enhancing the supervisory functions in the conflicts of interest management framework and the risk management framework. We will continue to strive to regain our stakeholders' trust in the Group, by promoting a return to our origin, which is our corporate mission "to contribute to enhancement of fair capital competitiveness and the growth of the global economy."

During the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023), net sales decreased 28.4% year on year, to ¥6,012 million. Both sales and profits declined significantly, as operating profit decreased 68.0% year on year, to ¥1,115 million, ordinary profit decreased 64.3% year on year, to ¥1,239 million and profit attributable to owners of parent decreased 72.4% year on year, to ¥671 million, due to a decrease in net sales and an increase in a series of expenses incurred while dealing with the Investigation Committee, among others. EBITDA decreased 58.9% year on year, to ¥1,536 million.

During the fiscal year ended March 31, 2023, we continued to make 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 new management structure that was launched on November 1, 2022. With regard to normal projects (amounting to less than ¥50 million) in equity consulting services, despite certain existing clients canceling their contracts due to the effects of the investigations by the Securities and Exchange Surveillance Commission and other events, we are continuing to receive entrustments of comprehensive equity consulting services based on the strong relationship of trust that our clients have shown toward the Group's services. However, the number of new project entrustments decreased due to factors such as the impact of our not being able to proactively offer proposals for consulting projects other than identification surveys, as a result of the launch of the investigation by the third-party committee since December 2022. Regarding large-scale projects (amounting to ¥50 million or more), the number of entrustments decreased significantly from June 2022 onward, due to factors such as the impact of our 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\*1 and FA services\*2 centering on ownership battles. However, with the recent increase in intensified activities by activist funds, etc., we are continuing to receive entrustments of projects that are centered on PA/FA projects for dealing with these activists, and the number

of entrustments of large-scale projects in the second half of the fiscal year was on a trend toward recovery. In Japan's capital markets, a number of drastic institutional changes are being announced by the authorities: the Tokyo Stock Exchange has issued a notice requesting companies with PBR below 1x to improve, as well as notifications encouraging new business; the Ministry of Economy, Trade and Industry has formulated new M&A guidelines, including rules that encourage a serious consideration of takeover bids without prior consent; and, the Financial Services Agency has begun revising both tender offer regulations and large volume possession report regulations. These trends are bringing unprecedented changes and uncertainty to the management control of listed companies, such as a return of global institutional funds to Japanese equities, increasing intensified activities by activist funds, and an inducement of takeover bids without prior consent among business companies and from PE funds, and the pace of these changes is increasing rapidly.

As shown in the Group's key concept, the "Power of Equity<sup>®\*3</sup>," while listed companies in Japan are under external pressure from "shareholders" to make decisions and act, we will maintain our position as the only independent equity consulting and financial advisory group that essentially offers proxy advisory services and does not take the activist side. We will collect information on global capital market trends through our offices in Tokyo and New York, and 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 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)

\*3 Power of Equity<sup>®</sup>: "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 2022 (April 2022 to March 2023)			Fiscal 2021 (April 2021 to March 2022)	
	Net sales	Percentage of net sales	Percentage change (YoY)	Net sales	Percentage change (YoY)
IR/SR Consulting	5,601	93.2	-28.8	7,870	3.4
Disclosure Consulting	270	4.5	-21.4	344	-27.6
Databases and Other	139	2.3	-25.3	187	-3.5
Total	6,012	100.0	-28.4	8,402	1.4

### 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. During the fiscal year under review, net sales from IR/SR Consulting decreased 28.8% year on year, to ¥5,601 million.

(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, 2023	1,848	4,163
Fiscal year ended March 31, 2022	3,547	4,854
Change	-1,699	-691

(b) Number and sales amount of large-scale projects already contracted (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, 2023	6	414	10	1,433	16	1,848
Fiscal year ended March 31, 2022	13	1,692	15	1,855	28	3,547
Change	-7	-1,277	-5	-421	-12	-1,699

(c) Sales amount of large-scale projects already contracted (amounting to ¥50 million or more) by type  
(Millions of yen)

Types of project	Fiscal 2022 (April 2022 to March 2023)	Fiscal 2021 (April 2021 to March 2022)	Change
PA/FA for ownership battles	92	1,574	-1,482
PA/FA for activist responses	890	1,091	-201
Company-side FA (M&As, etc.)	749	697	51
Large-scale SR/PA	117	184	-67
Total	1,848	3,547	-1,699

Net sales of large-scale projects (amounting to ¥50 million or more) for the fiscal year under review declined 47.9% year on year, to ¥1,848 million. The number of entrustments decreased significantly, due to the impact of our 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. However, with the recent increase in intensified activities by activist funds, etc., we are continuing to receive entrustments of projects centered on PA/FA projects for dealing with activists, and the number of entrustments of large-scale projects in the second half of the fiscal year is on a recovery trend. Net sales of normal projects (amounting to less than ¥50 million) decreased 14.2% year on year, to ¥4,163 million. We are continuing to receive entrustments of comprehensive equity consulting services based on the strong relationship of trust that our clients have shown toward the Group's services. However, the number of new project entrustments decreased due to factors such as the impact of our not being able to proactively offer proposals for consulting projects other than identification surveys due to the launch of the investigation by the third-party committee since December 2022.

In the stock transfer agency business, as of March 31, 2023, entrustments with 67 companies have been completed, and the number of shareholders under administration reached 438,342 (compared with entrustments concluded with 70 companies and 410,426 shareholders under administration in the same period of 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 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. 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 fiscal year under review decreased 21.4% from the same period of the previous fiscal year, to ¥270 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 25.3% from the same period of the previous fiscal year, to ¥139 million.

### (2) Overview of Financial Position for the Fiscal Year Ended March 31, 2023

#### 1) Assets

Total assets of the Group as of March 31, 2023 decreased ¥1,664 million from the end of the previous fiscal year, to ¥7,362 million, due primarily to a decrease in cash and deposits of ¥1,725 million.

#### 2) Liabilities

Total liabilities of the Group as of March 31, 2023 decreased ¥329 million from the end of the previous fiscal year, to ¥1,282 million, due primarily to a decrease in income taxes payable of ¥360 million.

#### 3) Net assets

Net assets of the Group as of March 31, 2023 decreased ¥1,335 million from the end of the previous fiscal year, to ¥6,079 million, due primarily to an increase in retained earnings of ¥671 million from profit attributable to owners of parent and a decrease in retained earnings of ¥2,007 million as a result of payment of dividends.

### (3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2023

Cash and cash equivalents (hereinafter “net cash”) of the Group as of March 31, 2023 decreased ¥1,725 million from the end of the previous fiscal year, to ¥4,042 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 ¥618 million (¥2,602 million in the previous fiscal year).

Major sources of cash inflow were profit before income taxes of ¥1,068 million, a decrease in accounts receivable – trade of ¥470 million and depreciation of ¥295 million, while major source of cash outflow was income taxes paid of ¥1,086 million.

#### Cash flows from investing activities

Net cash used in investing activities was ¥336 million (¥537 million in the previous fiscal year).

Major source of cash outflow was purchase of intangible assets of ¥317 million.

#### Cash flows from financing activities

Net cash used in financing activities was ¥2,005 million (¥1,686 million in the previous fiscal year).

Major source of cash outflow was cash dividends paid of ¥2,005 million.

### (Reference) Cash flow indicators

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Equity ratio (%)	79.4	67.6	79.0	82.1	82.6
Equity ratio based on market capitalization (%)	640.5	1,335.4	2,823.7	857.0	564.8
Cash flows/interest-bearing debt ratio (%)	14.8	5.7	8.3	7.7	32.3
Interest coverage ratio (times)	1,217.0	2,927.2	1,965.8	2,143.2	582.2

(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

Regarding the consolidated results forecast for the fiscal year ending March 31, 2024, as the importance of large-scale projects in our consolidated net sales has increased, the difficulty and complexity of these projects have also increased. There have been many cases where projects had to be postponed or cancelled, or schemes had to be changed due to changes in circumstances that were not initially anticipated, or due to customer situations. We have therefore determined that it is difficult to estimate the consolidated results forecast for the full year at this stage, and have decided not to disclose a forecast.

(5) Basic Policy Concerning the Distribution of Profits and Dividend Distributions for the Fiscal Year Ended March 31, 2023 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, 2023, the year-end dividend is ¥68 per share. Accordingly, the full-year dividend including the interim dividend is scheduled to be ¥113 per share.

For the fiscal year ending March 31, 2024, the impact of a significant decrease in profit attributable to owners of parent for the fiscal year ended March 31, 2023 is anticipated, and due to difficulties in estimating the consolidated results forecast for the full year at this stage, both the year-end dividend and the interim dividend have not yet been determined. However, dividends for the fiscal year ending March 31, 2024 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, 2022	Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024
Dividend per share	113 yen	113 yen	NYD
Interim dividend	45 yen	45 yen	NYD
Year-end dividend	68 yen	68 yen	NYD
Dividend payout ratio	82.4%	298.7%	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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,802,794	4,077,354
Accounts receivable—trade	1,051,653	592,337
Contract assets	37,820	29,352
Work in process	6,835	7,133
Prepaid expenses	155,896	167,320
Income taxes refund receivable	51,209	422,680
Other	96,875	270,079
Total current assets	7,203,085	5,566,258
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	334,612	360,194
Accumulated depreciation	(128,018)	(151,138)
Facilities attached to buildings, net	206,593	209,055
Vehicles	20,434	20,434
Accumulated depreciation	(11,191)	(14,604)
Vehicles, net	9,242	5,830
Tools, furniture and fixtures	449,371	353,633
Accumulated depreciation	(276,756)	(217,937)
Tools, furniture and fixtures, net	172,615	135,695
Total property, plant and equipment	388,452	350,581
Intangible assets		
Software	697,949	723,310
Other	9,607	65,059
Total intangible assets	707,557	788,370
Investments and other assets		
Investment securities	176,990	174,001
Leasehold and guarantee deposits	332,435	328,832
Long-term accounts receivable—trade	88,560	77,760
Deferred tax assets	192,748	139,131
Other	8,700	8,700
Allowance for doubtful accounts	(71,280)	(71,280)
Total investments and other assets	728,154	657,145
Total non-current assets	1,824,163	1,796,097
Total assets	9,027,248	7,362,355

(Thousands of yen)

As of March 31, 2022 As of March 31, 2023

Liabilities		
Current liabilities		
Accounts payable—trade	89,405	39,348
Short-term borrowings	200,000	200,000
Accounts payable—other	189,231	161,559
Accrued expenses	43,691	36,284
Income taxes payable	653,478	292,481
Contract liabilities	64,137	43,584
Deposits received	63,306	65,383
Provision for bonuses	158,784	130,606
Provision for customer measure costs	—	171,430
Other	87,565	81,111
Total current liabilities	1,549,601	1,221,791
Non-current liabilities		
Long-term accounts payable—other	50,710	45,863
Retirement benefit liability	11,902	15,140
Total non-current liabilities	62,613	61,004
Total liabilities	1,612,214	1,282,795
Net assets		
Shareholders' equity		
Share capital	865,298	865,298
Capital surplus	553,406	553,406
Retained earnings	6,403,741	5,068,418
Treasury shares	(410,004)	(410,004)
Total shareholders' equity	7,412,441	6,077,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,592	2,441
Total accumulated other comprehensive income	2,592	2,441
Total net assets	7,415,033	6,079,560
Total liabilities and net assets	9,027,248	7,362,355

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income

(Thousands of yen)

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Net sales	8,402,608	6,012,478
Cost of sales	1,273,705	1,040,575
Gross profit	7,128,903	4,971,903
Selling, general and administrative expenses	3,639,493	3,856,267
Operating profit	3,489,410	1,115,635
Non-operating income		
Interest income	19	24
Dividend income	210	282
Gain on forfeiture of unclaimed dividends	112	240
Gain on investments in investment partnerships	—	16,810
Subsidy income	785	—
Dividend income of insurance	781	1,024
Compensation for damage received	—	5,279
Insurance claim income	—	100,000
Miscellaneous income	254	2,760
Total non-operating income	2,163	126,422
Non-operating expenses		
Interest expenses	1,219	1,065
Foreign exchange losses	1,308	738
Loss on investments in investment partnerships	8,467	—
Loss on extinguishment of share-based remuneration expenses	2,750	—
Other	166	320
Total non-operating expenses	13,911	2,125
Ordinary profit	3,477,661	1,239,932
Extraordinary losses		
Provision for customer measure costs	—	171,430
Total extraordinary losses	—	171,430
Profit before income taxes	3,477,661	1,068,502
Income taxes - current	1,012,416	342,873
Income taxes - deferred	30,416	53,683
Total income taxes	1,042,832	396,557
Profit	2,434,828	671,945
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,434,828	671,945

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Profit	2,434,828	671,945
Other comprehensive income		
Valuation difference on available-for-sale securities	1,408	(150)
Total other comprehensive income	1,408	(150)
Comprehensive income	2,436,236	671,794
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,436,236	671,794
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity  
 FY2021 (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	855,673	543,781	5,656,377	(410,004)	6,645,828
Changes in items during period					
Issuance of new shares	9,625	9,625			19,250
Dividends of surplus			(1,687,465)		(1,687,465)
Profit attributable to owners of parent			2,434,828		2,434,828
Net changes in items other than shareholders' equity					—
Total changes in items during period	9,625	9,625	747,363	—	766,613
Balance at end of current period	865,298	553,406	6,403,741	(410,004)	7,412,441

	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	1,184	1,184	6,647,012
Changes in items during period			
Issuance of new shares			19,250
Dividends of surplus			(1,687,465)
Profit attributable to owners of parent			2,434,828
Net changes in items other than shareholders' equity	1,408	1,408	1,408
Total changes in items during period	1,408	1,408	768,021
Balance at end of current period	2,592	2,592	7,415,033

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

## (4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,477,661	1,068,502
Depreciation	260,493	295,666
Share-based remuneration expenses	22,835	3,000
Loss (gain) on investments in investment partnerships	8,467	(16,810)
Increase (decrease) in provision for bonuses	52,281	(28,178)
Increase (decrease) in provision for customer measure costs	—	171,430
Increase (decrease) in retirement benefit liability	2,949	3,237
Foreign exchange losses (gains)	(444)	1,181
Interest income	(19)	(24)
Dividend income	(210)	(282)
Interest expenses	1,219	1,065
Loss on extinguishment of share-based remuneration expenses	2,750	—
Decrease (increase) in trade receivables	166,362	470,116
Decrease (increase) in contract assets	(37,820)	8,468
Increase (decrease) in trade payables	16,426	(50,057)
Increase (decrease) in contract liabilities	(40,991)	(20,552)
Increase (decrease) in accounts payable—other	32,396	(8,509)
Other, net	(109,065)	(243,457)
Subtotal	3,855,292	1,654,797
Interest and dividends received	230	306
Interest paid	(1,214)	(1,062)
Income taxes paid	(1,251,633)	(1,086,531)
Income taxes refund	—	51,029
Net cash provided by (used in) operating activities	2,602,675	618,540
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(141,202)	(40,449)
Purchase of intangible assets	(345,304)	(317,376)
Payments of leasehold and guarantee deposits	(52,209)	(700)
Proceeds from refund of leasehold and guarantee deposits	1,500	2,208
Proceeds from sale of investment securities	—	19,356
Net cash provided by (used in) investing activities	(537,216)	(336,959)
<b>Cash flows from financing activities</b>		
Dividends paid	(1,686,161)	(2,005,837)
Net cash provided by (used in) financing activities	(1,686,161)	(2,005,837)
Effect of exchange rate change on cash and cash equivalents	444	(1,181)
Net increase (decrease) in cash and cash equivalents	379,740	(1,725,439)
Cash and cash equivalents at beginning of period	5,388,053	5,767,794
Cash and cash equivalents at end of period	5,767,794	4,042,354



(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.

During the fiscal year ended March 31, 2023, IRJ Business Consulting Staff, Inc. is included in the scope of consolidation because it was newly established as a subsidiary of IR Japan, Inc., the Company's consolidated subsidiary.

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 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 fiscal year ended 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.

Changes in Presentation Methods

"Income taxes refund receivable," which had previously been included in "Other" under "Current assets" for the previous fiscal year, was reported separately from the fiscal year ended March 31, 2023, due to its increased monetary significance. Consolidated financial statements for the previous fiscal year were restated in order to reflect this change in presentation method.

As a result, ¥148,084 thousand of "Other" under "Current assets" on the consolidated balance sheets for the previous fiscal year was restated as "Income taxes refund receivable" of ¥51,209 thousand and "Other" of ¥96,875 thousand.

Additional Information

(Application of 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 fiscal year ended 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.

### 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, 2021 to March 31, 2022)	Current fiscal year (April 1, 2022 to March 31, 2023)
Cash and deposits	5,802,794	4,077,354
Time deposits with a maturity longer than three months	(35,000)	(35,000)
Cash and cash equivalents	5,767,794	4,042,354

### 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, 2021 to March 31, 2022)	Current fiscal year (April 1, 2022 to March 31, 2023)
Net assets per share	¥417.43	¥342.25
Profit per share—basic	¥137.07	¥37.83

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, 2021 to March 31, 2022)	Current fiscal year (April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Thousands of yen)	2,434,828	671,945
Profit not available to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to shares of common stock (Thousands of yen)	2,434,828	671,945
Weighted average number of shares of common stock during the fiscal year (Shares)	17,763,155	17,763,427

Reference

The Group's management structure (effective June 16, 2023)

## IR Japan Holdings, Ltd.

Position	Name
Representative Director, President and CEO	Shirou Terashita
Director	Yutaka Fujiwara
Outside Director/Full-Time Audit and Supervisory Committee Member	Kazufumi Onishi
Outside Director/Audit and Supervisory Committee Member	Nobuyoshi Yamori
Outside Director/Audit and Supervisory Committee Member	Kimikazu Noumi
(New) Outside Director/Full-Time Audit and Supervisory Committee Member	Akira Kimura

## Consolidated Subsidiary, IR Japan, Inc.

Position	Name
Representative Director and President	Yuichiro Kitamura
Director and Executive Vice President	Akinosuke Ishigaki
Director	Yutaka Fujiwara
Director/Audit and Supervisory Committee Member	Kazufumi Onishi
Outside Director/Audit and Supervisory Committee Member	Norihiro Takahashi
(New) Outside Director/Audit and Supervisory Committee Member	Yoshihisa Yamada

## Consolidated Subsidiary, Japan Originated Investment Bank, Inc.

Position	Name
Representative Director and President	Shirou Terashita
Director	Yutaka Fujiwara
Director/Audit and Supervisory Committee Member	Kazufumi Onishi
Outside Director/Audit and Supervisory Committee Member	Norihiro Takahashi
(New) Outside Director/Audit and Supervisory Committee Member	Yoshihisa Yamada

## Consolidated Subsidiary, IRJ Business Consulting Staff, Inc.

\*Subsidiary of IR Japan, Inc.

Position	Name
Representative Director and President	Yukihiko Aoyama
Director	Yutaka Fujiwara
Director	Yukinori Wakana
Corporate Auditor	Kazufumi Onishi

End