

IR Japan Holdings, Ltd.6035 Tokyo Stock Exchange
First Section

9-Aug.-19

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FISCO Ltd. Analyst

■ Sales and profits increased significantly in 1Q for new record highs

IR Japan Holdings, Ltd. <6035> (hereafter, also “the Company”) announced its consolidated results for FY3/20 1Q (April to June 2019) on August 2nd. Net sales increased 56.3% year-on-year (YoY) to ¥2.169bn, operating profit rose 121.8% YoY to ¥1.242bn, ordinary profit grew 114.9% YoY to ¥1.241bn, and profit attributable to owners of parent increased 115.5% YoY to ¥847mn, so both sales and profits increased significantly and achieved record highs.

The pressure being placed on Japanese companies is increasing, including that a record-high number of listed companies have received shareholder proposals from activists, institutional shareholders, and individual shareholders. In this situation, the Company has established a system to provide equity solutions in which it responds quickly and appropriately to deal with sophisticated and complex capital risks. As a result, orders increased greatly for its consulting services that organically combine M&A and proxy (proxy contests), IR and SR, corporate governance and legal, and securities agency services. In investment banking operations, Western-style M&A proposals with the aims of winning a struggle for control or a management reorganization are starting to appear. Consequently, the Company is leveraging its independent nature and incorporating the viewpoints of minority shareholders, and this has led to an increase in the number of orders. Amid developments such as the Ministry of Economy, Trade and Industry newly formulating the Guidelines on the Methods of Conducting Fair M&A, etc., the Company is currently building up its pipeline across both defensive and offensive fields at a steady pace as a unique investment bank that responds to the demands of the times.

Based on the steady growth of results, the Company has upwardly revised its consolidated results forecasts for FY3/20, to net sales to increase 24.3% YoY to ¥6bn (previous forecast, up 7.1%), operating profit to rise 49.9% YoY to ¥2.15bn (previous forecast, up 15.0%), ordinary profit to grow 48.5% YoY to ¥2.15bn (previous forecast, up 15.0%), and profit attributable to owners of parent to climb 48.4% YoY to ¥1.45bn (previous forecast, up 16.0%).

For returns to shareholders, for FY3/20 the Company is forecasting an annual dividend of ¥45 (up ¥7 YoY), comprised of an interim dividend per share of ¥20 and a period-end dividend per share of ¥25. It also announced on the same day that it announced once again acquire treasury shares.

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