

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

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FISCO Ltd. Analyst

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IR Japan Holdings Ltd. <6035> (hereafter, also “the Company”) announced its FY3/19 consolidated results (April 2018 to March 2019) on May 14. Net sales increased 16.3% year on year (YoY) to ¥4,827mn, operating profit rose 24.0% to ¥1,434mn, ordinary profit grew 25.1% to ¥1,447mn, and profit attributable to owners of parent increased 18.9% to ¥976mn. Both sales and profits were record highs for the fifth consecutive fiscal year.

In a situation in which increasing pressure is being placed on Japanese companies by activists and traditional institutional investors, the Company is being highly evaluated for its strengths as an equity (share voting rights) and consulting company, such as for the accuracy and speed of its information on shareholders’ voting rights, and it has significantly increased its SR (shareholder relations) consulting services, which include conducting surveys of actual shareholders, securing voting rights, and analyzing activists.

In its investment banking operations, the Company’s presence is greatly increasing as the only independent FA (financial advisor) that fully utilizes its overwhelming knowledge on share voting rights, shareholder trends, and corporate governance, and its number of large-scale FA and PA (proxy advisor) projects for listed companies that have received proposals from activists has steadily grown. It continuously utilizes its characteristic of being independent, and its M&A projects in the pipeline related to proxy disputes and activists are also increasing.

In corporate governance-related operations, introductions of outside directors and evaluations of boards of directors have grown as a consequence of the strengthening of institutional shareholder guidelines and the revisions to the legal system.

The Company won new clients for its securities agencies operations due to increasing importance on the ability to respond flexibly to shareholders as a company’s first line of defense.

The FY3/20 consolidated forecasts are for net sales to increase 16.0% YoY to ¥5,600mn, operating profit to rise 30.4% to ¥1,870mn, ordinary profit to grow 29.2% to ¥1,870mn, and profit attributable to owners of parent to increase 28.0% to ¥1,250mn.

For returns to shareholders, the Company increased the FY3/19 dividend by ¥3 from the initial forecast to ¥23 per share for an annual dividend of ¥38, which is the fourth consecutive fiscal year that the dividend has increased. In FY3/20, it is expected to increase ¥7 for an annual dividend of ¥45.

On the same day the Company announced that it was to acquire treasury shares with an upper limit of 160,000 shares.

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