



JASDAQ

October 30, 2017

Company name: Honyaku Center Inc.
Representative: President
Ikuo Higashi
(Code: 2483 JASDAQ standard)
Contact: Director; General Manager,
Administrative Division
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Notice Concerning Capital Participation in Mirai Translate, Inc. and Share Acquisition of Media Research, Inc. (Acquisition of 100% Ownership)

Honyaku Center Inc. (the “Company”) resolved the capital participation (share acquisition) in Mirai Translate, Inc. (head office: Shibuya-ku, Tokyo) and the acquisition of the shares of Media Research, Inc. (head office: Shibuya-ku, Tokyo) at the Board of Directors Meeting held today.

1. Reasons for capital participation and share acquisition

Honyaku Center Group (the “Group”) is one of the largest language service companies in Japan, offering specialized translation services as its core business in the medical, industrial & localization, patent, and finance & legal fields, as well as interpretation services, temporary staffing, a convention business, and interpreter and translator education. The Group operates as the largest company in the industry in Japan, with approximately 6,400 registered translators and offering translation services in 80 languages.

Mirai Translate is a joint company founded in October 2014 by three companies: NTT Docomo Inc., SYSTRAN INTERNATIONAL Co., Ltd. and FueTrek Co., Ltd. (head office: Yodogawa-ku, Osaka). Later, Panasonic Corporation took a stake in Mirai Translate through acquisition of shares from existing shareholders. Mirai Translate develops precision machine translation technology and offers services to build a world free from language barriers.

Main businesses of Media Research are translation services and a system solution business. It became a subsidiary of FueTrek in October 2014, offering machine translation system services and promoting improvement in translation precision, by leveraging group resources.

In recent years, machine translation incorporating neural network technology (Neutral Machine Translation, or NMT) has been seeing rapid development. Customer needs and markets are expected to change at an accelerated pace in the industrial translation field. Against such a background, the Company had been discussing the possibility of business cooperation with Mirai Translate, FueTrek and Media Research. As a result of these discussions, the Company had reached a conclusion that the NMT that enables effective learning of the Company’s translation data is essential for improvement to industrial translation services and resolved the capital participation and stock acquisition.

The Company will leverage its Group translation knowledge, expertise and management resources, as well as Mirai Translate's and Media Research's capabilities to drive technological development and utilization. Through these efforts, the Company will endeavor to develop NMT solutions in the industrial translation field, grow and expand the Translation Business, and further improve corporate value.

2. Method of share transfer

The Company will acquire the shares of Mirai Translate owned by FueTrek (13% ownership ratio) and the shares of Media Research (100% ownership ratio excluding treasury shares) from FueTrek. The acquisition cost will be paid using the Company's own funds.

3. Outline of the company for capital participation

(1)	Trade name	Mirai Translate, Inc.	
(2)	Head office location	2-22-3 Shibuya, Shibuya-ku, Tokyo, Japan	
(3)	Title and name of representative	Minoru Etoh, Representative Director	
(4)	Business domain	Development and services based on machine translation	
(5)	Capital amount	495 million yen	
(6)	Date of foundation	October 30, 2014	
(7)	Major shareholders and ratio of shareholding	NTT DOCOMO, INC. (51.0%) SYSTRAN INTERNATIONAL Co., Ltd. (18.0%) Panasonic Corporation (18.0%) FueTrek Co., Ltd. (13.0%)	
(8)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationship	Not applicable.
		Business relationship	Not applicable.
		Relationship with related parties	Not applicable.

4. Outline of the subsidiaries to be transferred

(1)	Trade name	Media Research, Inc.	
(2)	Head office location	4-14-4 Sendagaya, Shibuya-ku, Tokyo, Japan	
(3)	Title and name of representative	Kazuko Shimada, President	
(4)	Business domain	Translation and IT businesses	
(5)	Capital amount	100 million yen	
(6)	Date of foundation	October 25, 1993	
(7)	Major shareholders and ratio of shareholding	FueTrek Co., Ltd. (100.0% excluding treasury stock)	
(8)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationship	Not applicable.

	Business relationship	Not applicable.	
	Relationship with related parties	Not applicable.	
(9) Past three years summary of operating results and financial positions of the company			
	Fiscal Year Ended March 2015	Fiscal Year Ended March 2016	Fiscal Year Ended March 2017
Net assets	276 million yen	290 million yen	313 million yen
Total assets	515 million yen	512 million yen	576 million yen
Net assets per share	157,934.12 yen	166,080.62 yen	179,298.63 yen
Net sales	845 million yen	1,468 million yen	1,621 million yen
Operating income	67 million yen	23 million yen	34 million yen
Ordinary income	70 million yen	23 million yen	33 million yen
Net income	41 million yen	14 million yen	22 million yen
Net income per share	23,771.87 yen	8,354.66 yen	13,114.71 yen
Dividends per share	- yen	- yen	- yen

Note) Fiscal year ended March 2015 is six months from October 1, 2014 to March 3, 2015.

5. Outline of the counterparty to the acquisition

(1)	Trade name	FueTrek Co., Ltd.	
(2)	Head office location	6-1-1 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka, Japan	
(3)	Title and name of representative	Yasutaka Urakawa, President & CEO	
(4)	Business domain	Product development and services related to speech recognition and interactive user interface	
(5)	Capital amount	716 million yen (as of March 2017)	
(6)	Date of foundation	April 17, 2000	
(7)	Net assets	3,041 million yen (as of March 2017)	
(8)	Total assets	4,675 million yen (as of March 2017)	
(9)	Major shareholders and ratio of shareholding	Hideyuki Fujiki (20.5%) NTT DOCOMO, INC. (6.0%)	
(10)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationship	Not applicable.
		Business relationship	Not applicable.
		Relationship with related parties	Not applicable.

6. Number of shares, acquisition price and percentage of shareholding before and after the transfer of the company to be transferred

(1)	Number of shares owned before the transfer	None (Number of voting rights: None) (Percentage of voting rights: 0%)
(2)	Number of shares to be acquired	1,750 shares (Number of voting rights: 1,750)
(3)	Acquisition price	550 million yen of common stock of Media Research, Inc. Advisory expenses (estimate) 1 million yen Total (estimate) 551 million yen
(4)	Number of shares owned after the transfer	1,750 shares (Number of voting rights: 1,750) (Percentage of voting rights: 100.0%)

7. Schedule

(Mirai Translate, Inc.)

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| (1) | Date of resolution by the Board of Directors | October 30, 2017 |
| (2) | Date of execution of the share transfer agreement | October 30, 2017 |
| (3) | Date of execution of the share transfer | October 31, 2017 (schedule) |

(Media Research, Inc.)

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| (1) | Date of resolution by the Board of Directors | October 30, 2017 |
| (2) | Date of execution of the share transfer agreement | October 30, 2017 |
| (3) | Date of execution of the share transfer | November 15, 2017 (schedule) |

8. Dispatch of officers

The Company will dispatch a representative director of the Company upon the acquisition of 100% of Media Research shares.

The order of the transfer will be made on the condition that the transfer will be approved at the extraordinary meeting of shareholders and the subsequent board of directors meeting that are scheduled to be held on November 15, 2017.

(Scheduled date of the transfer: November 15, 2017)

Name	New	Current
Shunichiro Ninomiya	Media Research, Inc. President	Director, Corporate Strategy Office

9. Schedule

The Company is currently examining the impact that the capital participation in Mirai Translate and 10% acquisition of Media Research will have on the Company's consolidated operating results for the fiscal year ending March 2018, and will make an announcement as soon as the examination is over.