



## Financial Results for the Fiscal Year Ended March 31, 2025 [Japan GAAP] (Consolidated)

May 13, 2025

Company Name: Honyaku Center Inc. Exchange listed on: Tokyo Stock Exchange  
 Securities Code: 2483 URL <https://www.honyakuctr.com>  
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 Scheduled date of Annual Meeting of Shareholders June 26, 2025  
 Scheduled commencement date of dividends payment: June 27, 2025  
 Scheduled filing date of the securities report: June 27, 2025  
 Preparation of supplementary materials for financial results: None  
 Convening financial results briefing: Yes

(Amounts rounded down to the nearest millions of yen)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

#### (1) Consolidated Operating Results

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company's shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2025	11,210	(0.8)	890	(1.3)	905	(3.5)	723	1.7
Fiscal year ended March 31, 2024	11,303	3.2	902	(2.8)	938	(2.2)	711	3.5

(Note)

Comprehensive income Fiscal year ended March 31, 2025 713 million yen (-0.4%) Fiscal year ended March 31, 2024 716 million yen (1.3%)

	Net income per share	Net income per share – diluted	Net income to shareholders' equity	Ordinary income to assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	216.18	—	11.1	10.5	7.9
Fiscal year ended March 31, 2024	212.88	—	11.9	11.8	7.9

(Reference)

Equity method investment gain (loss) Fiscal year ended March 31, 2025 19 million yen Fiscal year ended March 31, 2024 37 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	Yen
Fiscal year ended March 31, 2025	8,836	6,760	76.5	2,018.02
Fiscal year ended March 31, 2024	8,326	6,250	75.0	1,869.60

(Reference)

Shareholders' equity Fiscal year ended March 31, 2025 6,760 million yen Fiscal year ended March 31, 2024 6,250 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2025	503	(195)	(217)	4,580
Fiscal year ended March 31, 2024	753	(60)	(150)	4,490

## 2. Dividends

	Annual dividends					Total dividends (Total)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
Fiscal year ended March 31, 2024	—	0.00	—	65.00	65.00	217	30.5	3.6
Fiscal year ended March 31, 2025	—	0.00	—	75.00	75.00	251	34.6	3.8
Fiscal year ending March 31, 2026 (forecast)	—	0.00	—	75.00	75.00		39.9	

## 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2026 (from April 1, 2025, to March 31, 2026) (Percentages represent changes from the previous year for full year, and on a year-on-year basis for quarterly results.)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company's shareholders		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Q2 (cumulative)	5,500	0.5	355	0.7	360	1.3	235	1.1	70.10
Full year	11,400	1.6	900	1.0	920	1.5	630	(12.9)	187.81

### \* Notes

(1) Significant changes in the scope of consolidation during the period under review: None  
Newly consolidated: - company (companies) (company name), Excluded: - company (companies) (company name)

(2) Change in accounting policies or 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

(3) Number of shares issued (common shares)

- 1) Number of shares issued at the end of the period (including treasury shares)
- 2) Number of treasury shares at the end of the period
- 3) Average number of shares issued during the period

As of March 31, 2025	3,369,000 shares	As of March 31, 2024	3,369,000 shares
As of March 31, 2025	18,822 shares	As of March 31, 2024	25,522 shares
Fiscal year ended March 31, 2025	3,347,601 shares	Fiscal year ended March 31, 2024	3,340,901 shares

\* Financial Results are not subject to audit procedures by a certified public accountant or audit firm.

\* Explanation of appropriate use of the financial forecast and other special remarks

The forward-looking statements, such as the financial forecasts, provided in this material are based on information currently available to Honyaku Center Inc. (the "Company") and certain assumptions that the Company believes reasonable, and they are not intended as a guarantee that the Company will achieve them. In addition, actual results, including financial performance, may significantly differ due to various factors. For assumptions used in forecasting operating results and points to consider in utilizing such forecasts, please see "4) Future outlook" in "1. Overview of Operating Results, etc." on page 4 of the attachments.

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year ended March 31, 2025

Concerning the financial results for the fiscal year under review, there were signs of a moderate recovery in the Japanese economy, including an improved employment and income environment and companies' increased appetite for capital investment, as economic activities normalized further. However, there were concerns such as soaring raw material and energy prices caused by prolonged volatility around the globe, the impact of exchange rate fluctuations, continued global monetary tightening, and the impact of U.S. policy trends, making the outlook for the Japanese economy remain uncertain.

As for the business environment surrounding the Honyaku Center Group (the "Group"), demand has grown steadily in the Translation Business as a result of the recovery in business performance of client companies. In the Interpretation Business, the active flow of people helped to fuel a recovery in demand for on-site interpretation. Demand for Temporary Staffing Business remained firm in light of a shortage of human resources at client companies.

Under these circumstances, the Group, based on the Medium-Term Management Plan, a three-year plan that concluded at the end of the fiscal year under review, aimed for sustainable growth in its core Translation Business. It strove to capture the demand for translation and interpretation accompanying corporate global expansion by actively utilizing the latest technologies, such as translation support tools and machine translation.

As a result, for the fiscal year under review, the Group posted net sales of 11,210 million yen, down 0.8% on a year-on-year basis, as sales declined significantly due to the downsizing of the Convention Business, although net sales of the Translation Business, which is the core business, and the Interpretation Business reached a record high. In terms of profit, the Group posted operating income of 890 million yen, down 1.3% on a year-on-year basis due to an increase in selling, general and administrative expenses mainly consisting of personnel expenses; ordinary income of 905 million yen, down 3.5% on a year-on-year basis due to a decline in the share of profit of entities accounted for using the equity method; and net income attributable to the parent company's shareholders of 723 million yen, up 1.7% on a year-on-year basis due to the recording of gain on sale of shares of subsidiaries and compensation for forced relocation of the Tokyo head office in the fourth quarter.

The Group's business performance by segment is as follows.

The "Convention Business," which used to be disclosed as one of the reporting segments, was removed from the reporting segment and has been included in "Other" from the beginning of the fiscal year under review because its quantitative importance has decreased. The disclosed segment information for the previous fiscal year was prepared according to the classification of reporting segments of the fiscal year under review.

#### i) Translation Business

In the Patent field, net sales increased by 0.3% on a year-on-year basis to 2,911 million yen due to strong orders from patent firms despite a decrease in orders from the intellectual property departments of some major corporate clients. In the Medical field, amid efforts to build lasting relationships with client companies and expand the client base to capture demand, net sales increased 3.4% on a year-on-year basis to 2,694 million yen. This was because orders from foreign pharmaceutical companies grew in the fourth quarter, in addition to stronger orders from Japanese pharmaceutical companies and the capturing of growing demand at several client contract research organizations (CRO). The Industrial & Localization field saw strong demand from the manufacturing industry including higher orders from clients in the automobile and electrical machinery fields and the winning of large projects from energy companies. However, net sales decreased 3.7% on a year-on-year basis to 2,280 million yen due to sluggish orders from the non-manufacturing industry. In the Finance & Legal field, net sales were up 6.4% on a year-on-year basis to 619 million yen due to an increase in orders from administration departments of corporations in addition to strong orders for IR documents given the growing momentum for the disclosure of English documents by listed companies.

As a result, net sales of the Translation Business were 8,507 million yen, up 0.5% on a year-on-year basis.

#### ii) Temporary Staffing Business

In the Temporary Staffing Business, net sales amounted to 1,175 million yen, up 0.1% on a year-on-year basis, due to an increase in temporary staff completing employment contracts resulting in the number of staff under regular employment remaining unchanged on a year-on-year basis, although inquiries and orders increased due to steady demand for staff with strong language skills.

#### iii) Interpretation Business

In the Interpretation Business, net sales rose 8.3% on a year-on-year basis to 1,187 million yen, reaching a record high for the second consecutive year. This was due to continued orders from existing customers, such as financial institutions, pharmaceutical companies, precision/telecommunications equipment manufacturers and foreign consulting firms, in addition to an increase in the number of customers.

#### iv) Other

In the Other segment, net sales amounted to 340 million yen, down 40.8% on a year-on-year basis, as a result of significantly decreased sales due to the downsizing of the Convention Business, although enrollment in the interpreter and translator school ISS Institute, Inc. remained solid.

(2) Overview of financial position as of March 31, 2025

(Assets)

Current assets as of the end of the fiscal year under review were 7,667 million yen, up 377 million yen compared with the end of the previous fiscal year. This was mainly due to an increase in accounts receivable - other. Non-current assets increased 132 million yen from the end of the previous fiscal year to 1,169 million yen. This was mainly due to an increase in buildings and structures.

As a result, total assets were 8,836 million yen, up 509 million yen compared with the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the fiscal year under review were 1,848 million yen, down 5 million yen compared with the end of the previous fiscal year.

Non-current liabilities were 227 million yen, up 5 million yen from the end of the previous fiscal year.

As a result, total liabilities were 2,075 million yen, remaining nearly unchanged compared with the end of the previous fiscal year.

(Net assets)

Net assets as of the end of the fiscal year under review amounted to 6,760 million yen, up 509 million yen compared with the end of the previous fiscal year.

This was mainly due to recording net income attributable to the parent company's shareholders and the payment of dividends of surplus.

(3) Overview of cash flows for the fiscal year ended March 31, 2025

Cash and cash equivalents as of the end of the fiscal year under review were 4,580 million yen, up 90 million yen compared with the end of the previous fiscal year.

Cash flows and factors for changes thereof in the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 503 million yen (proceeds of 753 million yen in the previous year).

This was mainly due to 1,086 million yen of net income before income taxes and a decrease of 83 million yen in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities was 195 million yen (payments of 60 million yen in the previous year).

This was mainly due to 165 million yen of payments of guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities was 217 million yen (payments of 150 million yen in the previous year).

This was mainly due to 217 million yen of dividends paid.

The Group's cash flow benchmark trends are as follows.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Shareholders' equity ratio (%)	71.8	70.9	75.7	75.0	76.5
Shareholders' equity ratio on a market value basis (%)	78.1	68.7	72.2	82.8	71.9
Ratio of cash flows to interest-bearing debt (year)	—	—	—	—	—
Interest coverage ratio (times)	—	—	—	—	—

Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio on a market value basis: Market capitalization/Total assets

Ratio of cash flows to interest-bearing debt: Interest-bearing debt/Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest payments

(Notes) 1. The benchmarks above are calculated based on financial figures on a consolidated basis.

2. Market capitalization is calculated based on the number of shares issued excluding treasury shares.

3. Cash flows from operating activities are used for cash flows. Interest-bearing debt covers amounts reported on the consolidated balance sheet and for which the Group pays interest.

#### (4) Future outlook

The Japanese economy is expected to continue on a gradual recovery path thanks to the improved employment and income environment and the impact of various policies. However, the economic outlook requires close monitoring due to heightened risk of economic downturn caused by the impact of U.S. trade policy, continuing rising prices, and fluctuations in financial and capital markets, and the outlook is expected to remain uncertain for the foreseeable future. In addition, the business environment surrounding the Group is changing dramatically with changes in work styles and advances in digital technology, and competition to bring in customers is expected to become even more intense.

Under these circumstances, the Group, based on the new Medium-Term Management Plan announced on May 13, 2025 (covering the period from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028), will work on various initiatives. The aim is to become the most reliable language service partner for our clients, and we will do this by providing language services required in the digital age through the use of translators and interpreters who are experts in specialized fields and using our wealth of language assets accumulated on a daily basis.

The Group's initiatives by segment are as follows.

In the Translation Business, under the new Medium-Term Management Plan, we will utilize AI and data to enhance our business competitiveness and further expand the customer share. Furthermore, we at the Group will strive to create a system that enables us to develop and provide new services that accurately grasp the needs of client companies and market changes associated with the advancement of digital technology, and aim to build long-term, stable relationships with client companies.

In the Temporary Staffing Business, the Group will focus on training personnel with advanced language skills in cooperation with the Group's interpreter and translator school ISS Institute, Inc. in order to secure and expand interpreters and translators and help grow the customer base.

In the Interpretation Business, while demand for on-site interpretation is on a recovery track, the Group will strive to further improve business performance by providing services that meet the needs of client companies and deepening the relationships with them.

As a result, the Group expects net sales of 11,400 million yen, up 1.6% on a year-on-year basis; operating income of 900 million yen, up 1.0% on a year-on-year basis; ordinary income of 920 million yen, up 1.5% on a year-on-year basis; and net income attributable to the parent company's shareholders of 630 million yen, down 12.9% on a year-on-year basis.

The above financial results forecasts were developed based on information available as of the date of announcement of this material, and actual results, including financial performance, may significantly differ from the forecasts due to various factors.

## 2. Basic Approach towards Selection of Accounting Standard

The Group applies J-GAAP. With regard to the application of IFRS in the future, the Group will take appropriate actions in light of situations in Japan and overseas.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated balance sheet

(Unit: Thousand yen)

	Previous fiscal year As of March 31, 2024	Fiscal year under review As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	4,691,074	4,825,751
Notes and accounts receivable – trade	2,293,282	2,200,610
Work in process	154,713	122,634
Other	151,278	518,833
Allowance for doubtful accounts	(733)	(744)
Total current assets	7,289,616	7,667,084
Non-current assets		
Property, plant and equipment		
Buildings and structures	123,682	228,551
Accumulated depreciation	(98,274)	(55,822)
Buildings and structures, net	25,407	172,728
Tools, furniture and fixtures	96,509	72,512
Accumulated depreciation	(87,917)	(60,983)
Tools, furniture and fixtures, net	8,591	11,529
Land	25,413	25,413
Other	1,080	1,080
Accumulated depreciation	(1,080)	(1,080)
Other, net	0	0
Total property, plant and equipment	59,412	209,672
Intangible assets		
Goodwill	69,366	53,045
Other	30,274	40,022
Total intangible assets	99,640	93,067
Investments and other assets		
Investment securities	326,456	346,316
Retirement benefit assets	74,416	114,948
Deferred tax assets	250,498	193,516
Other	228,540	212,999
Allowance for doubtful accounts	(2,160)	(1,321)
Total investments and other assets	877,752	866,459
Total non-current assets	1,036,806	1,169,199
Total Assets	8,326,422	8,836,284

(Unit: Thousand yen)

	Previous fiscal year As of March 31, 2024	Fiscal year under review As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	841,584	743,874
Income taxes payable	213,290	191,769
Refund liability	3,097	2,510
Provision for bonuses	287,010	310,771
Provision for bonuses for directors (and other officers)	24,950	25,000
Other	483,629	574,461
Total current liabilities	1,853,562	1,848,387
Non-current liabilities		
Provision for directors' retirement benefits	11,408	11,408
Retirement benefit liability	210,477	215,740
Total non-current liabilities	221,885	227,148
Total Liabilities	2,075,448	2,075,536
<b>Net assets</b>		
Shareholders' equity		
Capital stock	588,443	588,443
Capital surplus	478,823	478,823
Retained earnings	5,199,430	5,703,194
Treasury shares	(62,785)	(46,303)
Total shareholders' equity	6,203,911	6,724,157
Accumulated other comprehensive income		
Foreign currency translation adjustment	52,319	—
Accumulated remeasurements of defined benefit plans	(5,256)	36,590
Total accumulated other comprehensive income	47,062	36,590
Total Net Assets	6,250,974	6,760,747
<b>Total liabilities and net assets</b>	<b>8,326,422</b>	<b>8,836,284</b>



## (2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Net sales	11,303,974	11,210,147
Cost of sales	5,990,729	5,895,571
Gross profit	5,313,245	5,314,575
Selling, general and administrative expenses	4,410,979	4,424,087
Operating income	902,265	890,488
Non-operating income		
Interest income	43	2,370
Share of profit of entities accounted for using equity method	37,529	19,859
Other	3,130	1,373
Total non-operating income	40,703	23,603
Non-operating expenses		
Foreign exchange losses	4,220	8,398
Miscellaneous losses	72	1
Total non-operating expenses	4,293	8,400
Ordinary income	938,676	905,691
Extraordinary income		
Gain on bargain purchase	69,024	—
Gain on sale of shares of subsidiaries	—	37,384
Compensation for forced relocation	—	158,214
Total extraordinary income	69,024	195,598
Extraordinary losses		
Loss on retirement of non-current assets	2,070	14,539
Total extraordinary losses	2,070	14,539
Net income before income taxes	1,005,630	1,086,750
Income taxes - current	311,215	324,486
Income taxes - deferred	(16,812)	38,548
Total income taxes	294,402	363,034
Net income	711,227	723,716
Net income attributable to the parent company's shareholders	711,227	723,716

## (Consolidated statement of comprehensive income)

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Net income	711,227	723,716
Other comprehensive income		
Foreign currency translation adjustment	8,123	(52,319)
Remeasurements of defined benefit plans	(3,078)	41,847
Total other comprehensive income	5,045	(10,472)
Comprehensive income	716,272	713,244
(Components)		
Comprehensive income attributable to the parent company's shareholders	716,272	713,244
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated statement of changes in equity

Previous fiscal year (from April 1, 2023, to March 31, 2024)

(Unit: Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	588,443	478,823	4,642,907	(79,267)	5,630,906
Changes in items during period					
Dividends of surplus			(150,155)		(150,155)
Net income attributable to the parent company's shareholders			711,227		711,227
Restricted share-based remuneration			(4,549)	16,482	11,932
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	556,522	16,482	573,004
Balance at end of current period	588,443	478,823	5,199,430	(62,785)	6,203,911

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	44,195	(2,178)	42,017	5,672,923
Changes in items during period				
Dividends of surplus				(150,155)
Net income attributable to the parent company's shareholders				711,227
Restricted share-based remuneration				11,932
Net changes in items other than shareholders' equity	8,123	(3,078)	5,045	5,045
Total changes in items during period	8,123	(3,078)	5,045	578,050
Balance at end of current period	52,319	(5,256)	47,062	6,250,974

Fiscal year under review (from April 1, 2024, to March 31, 2025)

(Unit: Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	588,443	478,823	5,199,430	(62,785)	6,203,911
Changes in items during period					
Dividends of surplus			(217,326)		(217,326)
Net income attributable to the parent company's shareholders			723,716		723,716
Restricted share-based remuneration			(2,626)	16,482	13,855
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	503,763	16,482	520,245
Balance at end of current period	588,443	478,823	5,703,194	(46,303)	6,724,157

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	52,319	(5,256)	47,062	6,250,974
Changes in items during period				
Dividends of surplus				(217,326)
Net income attributable to the parent company's shareholders				723,716
Restricted share-based remuneration				13,855
Net changes in items other than shareholders' equity	(52,319)	41,847	(10,472)	(10,472)
Total changes in items during period	(52,319)	41,847	(10,472)	509,773
Balance at end of current period	—	36,590	36,590	6,760,747

## (4) Consolidated statement of cash flows

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
<b>Cash flows from operating activities</b>		
Net income before income taxes	1,005,630	1,086,750
Depreciation	25,792	24,971
Share-based remuneration expenses	10,774	13,214
Amortization of goodwill	12,241	16,321
Interest and dividend income	(43)	(2,371)
Share of loss (profit) of entities accounted for using equity method	(37,529)	(19,859)
Gain on bargain purchase	(69,024)	—
Loss on retirement of non-current assets	2,070	14,539
Loss (gain) on sale of shares of subsidiaries	—	(37,384)
Compensation for forced relocation	—	(158,214)
Increase (decrease) in allowance for doubtful accounts	964	(827)
Increase (decrease) in provision for bonuses	(5,782)	23,761
Increase (decrease) in provision for bonuses for directors (and other officers)	1,850	50
Increase (decrease) in provision for directors' retirement benefits	(25,222)	—
Increase (decrease) in net defined benefit liability	12,884	65,543
Decrease (increase) in net defined benefit asset	9,122	(40,532)
Decrease (increase) in trade receivables	(108,772)	83,820
Decrease (increase) in inventories	(3,340)	32,147
Increase (decrease) in trade payables	65,244	(104,346)
Other	62,937	(152,673)
Subtotal	959,795	844,911
Interest and dividends received	43	2,371
Income taxes refund (paid)	(205,875)	(344,134)
Net cash provided by (used in) operating activities	753,963	503,148
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,242)	(7,256)
Proceeds from sale of property, plant and equipment	2,002	—
Purchase of intangible assets	(1,760)	(11,831)
Payments for acquisition of businesses	(117,345)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	52,270	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(30,811)
Payments into time deposits	(6,003)	(6,003)
Payments for guarantee deposits	(11,867)	(165,659)
Proceeds from collection of guarantee deposits	25,821	25,868
Net cash provided by (used in) investing activities	(60,124)	(195,693)
<b>Cash flows from financing activities</b>		
Dividends paid	(150,155)	(217,326)
Net cash provided by (used in) financing activities	(150,155)	(217,326)
Effect of exchange rate change on cash and cash equivalents	7,527	469
Net increase (decrease) in cash and cash equivalents	551,211	90,599
Cash and cash equivalents at beginning of period	3,938,982	4,490,194
Cash and cash equivalents at end of period	4,490,194	4,580,793

(5) Notes to consolidated financial statements

(Notes to assumptions for going concern)

Not applicable.

(Notes to changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes”)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) from the beginning of the fiscal year under review.

For the revision regarding the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policies has no effect on the consolidated financial statements.

In addition, the Company has adopted the 2022 Revised Guidance from the beginning of the fiscal year under review for the revision related to the review of the treatment in consolidated financial statements of deferrals for tax purposes of gains or losses on the sale of investments in subsidiaries among consolidated companies. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. This change in accounting policies has no effect on the consolidated financial statements for the previous fiscal year.

(Significant matters that serve as the basis for the preparation of consolidated financial statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 5

Names of consolidated subsidiaries

ISS, Inc.

Media Research, Inc.

FIPAS Inc.

Panacea Co., Ltd.

Fukuyama Industrial Translation Center, Ltd.

HC Language Solutions, Inc. has been excluded from the scope of consolidation as the Group sold all the shares during the fiscal year under review.

2. Application of the Equity Method

(1) Number of affiliates accounted for using equity method: 1

Name of entity accounted for using equity method:

LanguageOne Corporation

3. Fiscal Years and Other Matters of Consolidated Subsidiaries

The date of financial settlement of the consolidated subsidiaries is the same as the date of consolidated financial settlement.

4. Accounting Policies

(1) Evaluation standards and methods for significant assets

i) Securities

Available-for-sale securities

Securities other than shares that do not have a market value

Stated at market value (valuation difference is reported as a component of net assets, and the cost of securities sold is calculated by the moving-average method).

Shares that do not have a market value

Stated at cost based on the moving-average method.

ii) Inventories

Work in process

Stated at cost by the specific cost method (amounts on the balance sheet are calculated after the book value is entered based on a decrease in profitability).

(2) Method of depreciation and amortization for significant depreciable assets

i) Property, plant and equipment

Depreciation by the Company and its consolidated subsidiaries is calculated by the declining balance method. However, the straight-line method is applied for facilities attached to buildings and structures acquired on and after April 1, 2016.

Depreciation by consolidated subsidiaries is calculated by the straight-line method.

The useful lives are mainly as follows:

Buildings and structures	8–18 years
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Tools, furniture and fixtures	3–15 years
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ii) Intangible assets

Amortization is calculated by the straight-line method.

Amortization of software for internal use is calculated based on the estimated service life in the Company (five years).

(3) Accounting standards for significant allowances and provisions

i) Allowance for doubtful accounts

To prepare for possible losses on accounts receivable, the Company sets aside an amount that is expected to be irrecoverable, after it considers the possibility of recoverability of (a) general accounts receivable, on the basis of an actual default ratio, and (b) specific accounts receivable where recoverability is in doubt, on a case-by-case basis.

ii) Provision for bonuses

To prepare for the payment of bonuses for employees, the Company sets aside an estimated amount for the provision of bonuses for the fiscal year under review in which such amount shall be disbursed.

iii) Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses for directors (and other officers), the Company sets aside an estimated amount for the provision of bonuses for the fiscal year under review in which such amount shall be disbursed.

iv) Provision for directors' retirement benefits

To prepare for the payment of retirement benefits for directors, the Company sets aside an amount necessary at the end of the fiscal year under review based on the internal rules.

The Company abolished the system of directors' retirement benefits at the Board of Directors meeting held on June 9, 2006. The amount of such provisions is that estimated to be disbursed to directors who were in office on or before the date the system was abolished.

(4) Accounting procedures for retirement benefits

i) Period attribution method for the estimated amount of retirement benefits

In calculating retirement benefit obligations, the method of attributing the estimated retirement benefit amount to the period up to the end of the fiscal year under review is based on the benefit formula method.

ii) Amortization of actuarial gain/loss

Actuarial gain and loss is amortized by the straight-line method over a period within the average remaining service years for employees (10 years) at the time of recognition of such gain and loss in each fiscal year and allocated proportionately from the fiscal year following each fiscal year of recognition.

iii) Adoption of simplified method for small corporations, etc.

Consolidated subsidiaries adopt the simplified method where retirement benefit obligations are measured by the amount of retirement benefits required for voluntary termination at the end of the fiscal year, in calculating retirement benefit liabilities and retirement benefit expenses.

(5) Method and period of amortization of goodwill

Goodwill is amortized by the straight-line method over 5 years.

(6) Accounting standards for significant revenue and expenses

The Company and its consolidated subsidiaries provide deliverables and services for each reporting segment. The details of the performance obligations related to revenue from customer contracts in each reporting segment and the ordinary point in time when such performance obligations are fulfilled (when revenue is recognized) are as follows. Consideration for transactions is received within one year of fulfilling the performance obligations and does not include any material financial elements.

i) Translation Business

In the Translation Business, the Group provides industrial translation services for technical and business documents in the fields of Patent, Medical, Industrial & Localization, Finance & Legal, and other. The Group provides deliverables such as translations at the request of a customer. When deliverables are provided to the customer, the customer gains control over the deliverables, and the right to receive payment is finalized, thereby fulfilling the performance obligations. Thus, the Group recognizes revenue at such time. In addition, in certain contracts with specific customers, acceptance by the customer is a condition for fulfillment of the performance obligations. Therefore, when acceptance by the customer is completed, the customer gains control over the deliverables, and the right to receive payment becomes final. Thus, the Group recognizes revenue at such time. These revenues are measured based on the consideration promised in contracts with customers (the unit price registered in the sales system multiplied by the number of characters and others fixed at the time of delivery); however, when volume discounts are applied, the consideration is measured after deducting rebates. Where the Group conducts transactions on its own behalf, revenue is presented as the total consideration received from the customer, and where the Group conducts transactions as an agent on behalf of a third party, revenue is recognized in the net amount of fees calculated as the total consideration received from the customer less the amount collected on behalf of the third party.



ii) Temporary Staffing Business

In the Temporary Staffing Business, the Group mainly dispatches translators who translate documents and the like that cannot be taken out of customer companies for confidentiality reasons, and dispatches interpreters who engage in interpretation within customer companies. The Group enters into a contract for a certain period of time based on a request from a customer. Temporary employees provide services throughout that period, and the Group identifies performance obligations for the provision of those services. Under the contract, performance obligations are fulfilled when the services of temporary employees are completed. Thus, the Group recognizes revenue at such time.

iii) Interpretation Business

In the Interpretation Business, the Group provides interpretation services mainly for in-house corporate meetings and small- and medium-sized international conferences. The Group arranges for interpreters and provides interpretation services based on a request from a customer. The Group identifies performance obligations for the provision of those services. Under the contract, performance obligations are fulfilled when the services of interpreters are completed. Thus, the Group recognizes revenue at such time.

(7) Scope of funds in consolidated statement of cash flows

Funds consist of cash on hand, deposits which can be withdrawn as needed, and easily convertible short-term investments which have very limited risk for any change in value and will be redeemed within three months from the date of acquisition.

(Change of presentation method)

(Consolidated statement of income)

The Company has determined to separately state “Interest income,” which was included in “Other” under “Non-operating income” in the previous fiscal year, from the fiscal year under review because it exceeded ten-hundredths of total non-operating income. To reflect this change in the presentation method, the consolidated statement of income for the previous fiscal year has been reclassified.

As a result, XX thousand yen presented as “Other” under “Non-operating income” in the consolidated statement of income for the previous fiscal year has been reclassified as “Interest income” of 43 thousand yen and “Other” of 3,130 thousand yen.

(Notes to segment information)

Segment information

1. Overview of Reporting Segments

Reporting segments of the Company are components of the Company for which separate financial information can be obtained, and for which the Board of Directors conducts reviews on a regular basis to determine the allocation of management resources and assess business performance.

The businesses of the Company mainly consist of the Translation Business, the Temporary Staffing Business, and the Interpretation Business.

The Translation Business is operated mainly by the Company and three consolidated subsidiaries thereof, while the Temporary Staffing Business and the Interpretation Business are operated by one consolidated subsidiary.

(1) Translation Business

Translation Business focused on four major fields of specialization: Patent, Medical, Industrial & Localization, and Finance & Legal

(2) Temporary Staffing Business

Staffing of interpreters and translators

(3) Interpretation Business

Interpretation services for in-house corporate meetings and small- and medium-sized international conferences

The “Convention Business,” which used to be disclosed as one of the reporting segments, was removed from the reporting segment and has been included in “Other” from the beginning of the fiscal year under review because its quantitative importance has decreased.

The disclosed segment information for the previous fiscal year was prepared according to the classification of reporting segments of the fiscal year under review.

2. Method Used to Calculate Net Sales, Income or Loss, Assets and Other Items by Reporting Segment

The accounting method for the Group’s reporting segments is generally the same as that described in “Significant matters that serve as the basis for the preparation of consolidated financial statements.”

Income of the reporting segments is based on operating income, and intersegment net sales or transfer is based on market prices.

Non-current assets not attributable to reporting segments are managed as company-wide assets, while the standard for allocating depreciation is determined considering the use of such assets by relevant business segments in a comprehensive manner.

3. Information on Net sales, Income or Loss, Assets and Other Items, and Breakdown of Revenue by Reporting Segment  
Previous fiscal year (from April 1, 2023, to March 31, 2024)

(Unit: Thousand yen)

	Reporting segment				Other (Note)	Total
	Translation Business	Temporary Staffing Business	Interpretation Business	Total		
Net sales						
Translation						
Patent	2,902,273	—	—	2,902,273	—	2,902,273
Medical	2,605,180	—	—	2,605,180	—	2,605,180
Industrial & Localization	2,368,853	—	—	2,368,853	—	2,368,853
Finance & Legal	582,622	—	—	582,622	—	582,622
Temporary Staffing	—	1,174,286	—	1,174,286	—	1,174,286
Interpretation	—	—	1,095,135	1,095,135	—	1,095,135
Other	—	—	—	—	575,621	575,621
Revenue from customer contracts	8,458,931	1,174,286	1,095,135	10,728,353	575,621	11,303,974
Other revenue	—	—	—	—	—	—
Sales to external customers	8,458,931	1,174,286	1,095,135	10,728,353	575,621	11,303,974
Intersegment sales or transfer	30,865	6,157	1,027	38,050	1,717	39,768
Total	8,489,797	1,180,443	1,096,162	10,766,403	577,339	11,343,743
Segment income (loss)	911,068	44,026	95,631	1,050,726	(152,578)	898,147
Segment assets	7,420,207	132,942	164,235	7,717,386	429,965	8,147,351
Other items						
Depreciation	19,184	2,170	2,030	23,384	2,408	25,792
Investment in entities accounted for using equity method	—	—	—	—	156,962	156,962
Increase in property, plant and equipment and intangible assets	87,110	—	—	87,110	818	87,928

(Note) “Other” represents segments not included in reporting segments and includes the overseas patent application support business.

Fiscal year under review (from April 1, 2024, to March 31, 2025)

(Unit: Thousand yen)

	Reporting segment				Other (Note)	Total
	Translation Business	Temporary Staffing Business	Interpretation Business	Total		
Net sales						
Translation						
Patent	2,911,370	—	—	2,911,370	—	2,911,370
Medical	2,694,846	—	—	2,694,846	—	2,694,846
Industrial & Localization	2,280,936	—	—	2,280,936	—	2,280,936
Finance & Legal	619,963	—	—	619,963	—	619,963
Temporary Staffing	—	1,175,576	—	1,175,576	—	1,175,576
Interpretation	—	—	1,187,064	1,187,064	—	1,187,064
Other	—	—	—	—	340,388	340,388
Revenue from customer contracts	8,507,117	1,175,576	1,187,064	10,869,758	340,388	11,210,147
Other revenue	—	—	—	—	—	—
Sales to external customers	8,507,117	1,175,576	1,187,064	10,869,758	340,388	11,210,147
Intersegment sales or transfer	26,635	4,322	383	31,341	976	32,318
Total	8,533,753	1,179,899	1,187,448	10,901,100	341,364	11,242,465
Segment income (loss)	776,158	30,456	89,519	896,134	(10,114)	886,020
Segment assets	7,849,870	133,359	151,762	8,134,992	316,270	8,451,262
Other items						
Depreciation	23,164	447	635	24,246	760	25,007
Investment in entities accounted for using equity method	—	—	—	—	176,821	176,821
Increase in property, plant and equipment and intangible assets	170,144	7,711	15,036	192,891	10,890	203,781

(Note) “Other” represents segments not included in reporting segments and includes the overseas patent application support business.

4. Difference between Total Income or Loss of Reporting Segment and Amounts Reported in Consolidated Financial Statements and Major Components Thereof (Matters Concerning Difference Adjustment)

(Unit: Thousand yen)

Net sales	Previous fiscal year	Fiscal year under review
Reporting segment total	10,999,875	10,901,100
“Other” net sales	343,867	341,364
Elimination of intersegment transactions	(39,768)	(32,318)
Net sales reported in consolidated financial statements	11,303,974	11,210,147

(Unit: Thousand yen)

Income	Previous fiscal year	Fiscal year under review
Reporting segment total	987,206	896,134
“Other” income	(89,058)	(10,114)
Elimination of intersegment transactions	4,118	4,467
Operating income reported in consolidated financial statements	902,265	890,488

(Unit: Thousand yen)

Assets	Previous fiscal year	Fiscal year under review
Reporting segment total	7,821,505	8,134,992
“Other” assets	325,845	316,270
Elimination of intersegment transactions	(552,949)	(551,719)
Company-wide assets (Note)	732,020	936,740
Total assets reported in consolidated financial statements	8,326,422	8,836,284

(Note) Company-wide assets mainly consist of non-current assets not attributable to reporting segments.

(Unit: Thousand yen)

Other items	Reporting segment total		Other		Adjustments		Amount reported in consolidated financial statements	
	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review
Depreciation	23,814	24,246	1,978	760	—	—	25,792	25,007
Increase in property, plant and equipment and intangible assets	87,110	192,891	818	10,890	—	—	87,928	203,781

(Note) The adjustment of the increase in property, plant and equipment and intangible assets is the capital investment in company-wide assets.

[Relevant information]

Previous fiscal year (from April 1, 2023, to March 31, 2024)

1. Information by Product and Service

Information by product and service is omitted because the same information is presented in “Segment information.”

2. Information by Region

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales reported in the consolidated statement of income, the description is omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment the Group owns in Japan exceeds 90% of property, plant and equipment reported in the consolidated balance sheet, the description is omitted.

3. Information by Main Customer

Not applicable.

Fiscal year under review (from April 1, 2024, to March 31, 2025)

1. Information by Product and Service

Information by product and service is omitted because the same information is presented in “Segment information.”

2. Information by Region

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales reported in the consolidated statement of income, the description is omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment the Group owns in Japan exceeds 90% of property, plant and equipment reported in the consolidated balance sheet, the description is omitted.

3. Information by Main Customer

Not applicable.

[Information on impairment losses on non-current assets by reporting segment]

Not applicable.

[Information on amortization of goodwill and unamortized balance by reporting segment]

Previous fiscal year (from April 1, 2023, to March 31, 2024)

(Unit: Thousand yen)

	Translation Business	Temporary Staffing Business	Interpretation Business	Other	Company-wide	Total
Amortization during period	12,169	72	—	—	—	12,241
Balance at end of current period	68,958	408	—	—	—	69,366

Fiscal year under review (from April 1, 2024, to March 31, 2025)

(Unit: Thousand yen)

	Translation Business	Temporary Staffing Business	Interpretation Business	Other	Company-wide	Total
Amortization during period	16,225	96	—	—	—	16,321
Balance at end of current period	52,733	312	—	—	—	53,045

[Information on gain on bargain purchase by reporting segment]

Previous fiscal year (from April 1, 2023, to March 31, 2024)

In the Translation Business, a gain on bargain purchase was recorded due to the acquisition of shares of Fukuyama Industrial Translation Center, Ltd. in the fiscal year under review, making it a consolidated subsidiary of the Group. The amount of gain on bargain purchase resulting from this event was 69,024 thousand yen. The gain on bargain purchase is not included in the above segment income because it is extraordinary income.

Fiscal year under review (from April 1, 2024, to March 31, 2025)

Not applicable.

(Per share information)

Previous fiscal year (from April 1, 2023 to March 31, 2024)		Fiscal year under review (from April 1, 2024 to March 31, 2025)	
Net assets per share	1,869.60 yen	Net assets per share	2,018.02 yen
Net income per share	212.88 yen	Net income per share	216.18 yen

(Notes) 1. Net income per share – diluted is not stated as there are no dilutive shares.

2. The basis for calculation of the amount of net income per share is as follows.

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Net income per share		
Net income attributable to the parent company's shareholders (thousand yen)	711,227	723,716
Amount not attributable to common shareholders (thousand yen)	—	—
Net income attributable to owners of parent related to common shares (thousand yen)	711,227	723,716
Average number of common shares issued during the period (shares)	3,340,901	3,347,601

(Important subsequent events)

Not applicable.