



Financial Results for the Three-Month Period Ended June 30, 2025 [Japan GAAP] (Consolidated)

August 8, 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 commencement date of dividends payment: -
 Preparation of supplementary materials for financial results: None
 Convening financial results briefing: None

(Amounts rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the Three-Month Period Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (cumulative)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company's shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
Three-month period ended June 30, 2025	2,669	(1.7)	212	22.3	219	24.8	142	26.8
Three-month period ended June 30, 2024	2,715	5.3	173	4.0	175	(1.8)	112	(4.0)

(Note)

Comprehensive income Three-month period ended June 30, 2025 142 million yen (17.6%) Three-month period ended June 30, 2024 120 million yen (2.1%)

	Net income per share	Net income per share – diluted
	Yen	Yen
Three-month period ended June 30, 2025	42.65	—
Three-month period ended June 30, 2024	33.69	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three-month period ended June 30, 2025	8,412	6,651	79.0
Fiscal year ended March 31, 2025	8,836	6,760	76.5

(Reference)

Shareholders' equity Three-month period ended June 30, 2025 6,651 million yen Fiscal year ended March 31, 2025 6,760 million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	75.00	75.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (forecast)		0.00	—	75.00	75.00

(Note) Revision of the dividend forecast released most recently: None

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

(Note) Revision of the consolidated results forecast released most recently: None

*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) Adoption of special accounting procedures for preparation of the quarterly consolidated financial statements: Yes

(3) Change in accounting policies or estimates and retrospective restatements

1) Change in accounting policies in accordance with revision of accounting standards: None

2) Change in accounting policies other than item 1) above: None

3) Change in accounting estimates: None

4) Retrospective restatements: None

(4) 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 (cumulative from the beginning of the fiscal year)

Three-month period ended June 30, 2025	3,369,000 shares	Fiscal year ended March 31, 2025	3,369,000 shares
Three-month period ended June 30, 2025	18,822 shares	Fiscal year ended March 31, 2025	18,822 shares
Three-month period ended June 30, 2025	3,350,178 shares	Three-month period ended June 30, 2024	3,343,478 shares

*Review of the attached quarterly consolidated financial statements by a Certified Public Accountant or audit firm: None

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

The forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to Honyaku Center Inc. (the "Company") and certain assumptions that the Company believes are reasonable, and are not intended as a guarantee that the Company will achieve the same. In addition, actual results, including financial performance, may significantly differ due to various factors. For assumptions for operating results forecasts and points to consider in utilizing them, please see "1. Overview of Operating Results, etc., (3) Explanation of future forecast information such as consolidated financial results forecasts" on page 5 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the three-month period ended June 30, 2025

During the three-month period under review, the Japanese economy was on a gradual recovery path due to the improved employment and income environment and the impact of various policies. On the other hand, we need to continuously monitor the heightened risk of an 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 Company is changing dramatically with the spread of machine translation (MT) and generative AI, and we recognize that strengthening our business competitiveness through the use of AI and data is more important than ever.

Under this management environment, based on our Medium-Term Management Plan covering the period from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, the Honyaku Center Group (the “Group”) is striving to promote sales and marketing based on data analysis and enhance business competitiveness, in addition to the provision of services utilizing natural language processing technologies such as computer assisted translation (CAT), machine translation (MT), and large language model (LLM).

As a result, for the three-month period ended June 30, 2025, the Group posted net sales of 2,669 million yen, down 1.7% on a year-on-year basis, as the performance of the Translation Business, which is the core business, struggled due to uncertainties about U.S. trade policy, although the Interpretation Business reached a record high. In terms of profit, the Group posted operating income of 212 million yen, up 22.3% on a year-on-year basis, as selling, general and administrative expenses decreased on a year-on-year basis as a result of Group-wide efforts to cut costs; ordinary income of 219 million yen, up 24.8% on a year-on-year basis due to an increase in the share of profit of entities accounted for using the equity method and a decline in foreign exchange losses; and net income attributable to the parent company’s shareholders of 142 million yen, up 26.8% on a year-on-year basis.

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

i) Translation Business

In the Patent field, net sales increased by 4.9% on a year-on-year basis to 786 million yen due to businesses with new major clients and increased orders from patent firms, our major clients, despite a decrease in orders from the intellectual property departments of some major corporate clients. In the Medical field, net sales increased by 4.1% on a year-on-year basis to 622 million yen as a result of higher orders from certain major clients of foreign pharmaceutical companies as well as strong growth of orders from contract research organizations (CRO). In the Industrial & Localization field, net sales decreased 16.1% on a year-on-year basis to 420 million yen due to a reactionary fall in large projects the Group won from energy companies in the same period of the previous fiscal year, in addition to decreased orders from clients mainly in the automobile field given uncertainties about U.S. trade policy. In the Finance & Legal field, net sales decreased by 9.3% on a year-on-year basis to 179 million yen due to sluggish orders for non-IR documents, despite an increase in orders for IR documents as our new service for timely disclosure of information has been launched.

As a result, net sales of the Translation Business were 2,009 million yen, down 1.8% on a year-on-year basis.

ii) Temporary Staffing Business

In the Temporary Staffing Business, net sales amounted to 288 million yen, down 0.4% on a year-on-year basis, due to a sluggish growth of the number of staff under regular employment, although referral fee income increased on a year-on-year basis due to steady demand for staff with strong language skills.

iii) Interpretation Business

In the Interpretation Business, net sales increased by 3.4% on a year-on-year basis to 294 million yen, reaching a record high for the three-month period, due to the winning of global conference projects from several companies and an increase in the number of customers, in addition to continued orders from existing customers, such as pharmaceutical companies and electronics/electronic parts manufacturers.

iv) Other

In the Other segment, net sales amounted to 76 million yen, down 18.3% on a year-on-year basis, as a result of decreased sales due to the downsizing of the Convention Business and low enrollment in the interpreter and translator school ISS Institute, Inc.

(2) Overview of financial position as of June 30, 2025

(Assets)

Current assets as of the end of the first quarter under review were 7,204 million yen, down 462 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease in notes and accounts receivable - trade as a result of the collection of fees in the Translation Business. Non-current assets increased 39 million yen from the end of the previous fiscal year to 1,208 million yen. This was mainly due to an increase in other under intangible assets.

As a result, total assets were 8,412 million yen, down 423 million yen compared with the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the first quarter under review were 1,525 million yen, down 322 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease in provision for bonuses and income taxes payable. Non-current liabilities were 235 million yen, up 8 million yen from the end of the previous fiscal year.

As a result, total liabilities were 1,761 million yen, down 314 million yen compared with the end of the previous fiscal year.

(Net assets)

Net assets as of the end of the first quarter under review were 6,651 million yen, down 109 million yen compared with the end of the previous fiscal year. This was mainly due to dividends of surplus.

(3) Explanation of future forecast information such as consolidated financial results forecasts

For the financial results forecasts for the fiscal year ending March 2026, there is no change in the consolidated financial results forecasts for the six-month period as well as for the full year disclosed in “Financial Results for the Fiscal Year Ended March 31, 2025” released on May 13, 2025.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Unit: Thousand yen)

	Previous fiscal year As of March 31, 2025	First quarter under review As of June 30, 2025
Assets		
Current assets		
Cash and deposits	4,825,751	4,895,352
Notes and accounts receivable - trade, net	*2,073,441	*1,705,649
Electronically recorded monetary claims - operating	126,424	170,501
Work in process	122,634	183,732
Other	518,833	249,006
Total current assets	7,667,084	7,204,243
Non-current assets		
Property, plant and equipment	209,672	207,823
Intangible assets		
Goodwill	53,045	48,964
Other	40,022	86,655
Total intangible assets	93,067	135,620
Investments and other assets	*866,459	*865,194
Total non-current assets	1,169,199	1,208,638
Total Assets	8,836,284	8,412,881
Liabilities		
Current liabilities		
Accounts payable – trade	743,874	710,277
Income taxes payable	191,769	85,269
Refund liability	2,510	1,069
Provision for bonuses	310,771	148,819
Other	599,461	580,427
Total current liabilities	1,848,387	1,525,863
Non-current liabilities		
Provision for directors' retirement benefits	11,408	11,408
Retirement benefit liability	215,740	224,019
Total non-current liabilities	227,148	235,427
Total Liabilities	2,075,536	1,761,291
Net assets		
Shareholders' equity		
Capital stock	588,443	588,443
Capital surplus	478,823	478,823
Retained earnings	5,703,194	5,594,833
Treasury shares	(46,303)	(46,303)
Total shareholders' equity	6,724,157	6,615,796
Accumulated other comprehensive income		
Accumulated remeasurements of defined benefit plans	36,590	35,793
Total accumulated other comprehensive income	36,590	35,793
Total Net Assets	6,760,747	6,651,590
Total liabilities and net assets	8,836,284	8,412,881

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)

(Unit: Thousand yen)

	Three-month period in the previous fiscal year (from April 1, 2024 to June 30, 2024)	Three-month period under review (from April 1, 2025 to June 30, 2025)
Net sales	2,715,682	2,669,374
Cost of sales	1,408,657	1,366,299
Gross profit	1,307,024	1,303,075
Selling, general and administrative expenses	1,133,262	1,090,395
Operating income	173,762	212,680
Non-operating income		
Share of profit of entities accounted for using equity method	4,078	6,468
Other	364	492
Total non-operating income	4,443	6,960
Non-operating expenses		
Foreign exchange losses	2,727	440
Other	0	38
Total non-operating expenses	2,727	479
Ordinary income	175,478	219,161
Extraordinary losses		
Loss on retirement of non-current assets	491	286
Total extraordinary losses	491	286
Net income before income taxes	174,987	218,875
Income taxes	62,323	75,972
Net income	112,664	142,902
Net income attributable to the parent company's shareholders	112,664	142,902

(Quarterly consolidated statement of comprehensive income)

(Unit: Thousand yen)

	Three-month period in the previous fiscal year (from April 1, 2024 to June 30, 2024)	Three-month period under review (from April 1, 2025 to June 30, 2025)
Net income	112,664	142,902
Other comprehensive income		
Foreign currency translation adjustment	8,033	—
Remeasurements of defined benefit plans	124	(797)
Total other comprehensive income	8,158	(797)
Comprehensive income	120,822	142,105
(Components)		
Comprehensive income attributable to the parent company's shareholders	120,822	142,105
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to quarterly consolidated financial statements

(Notes to assumptions for going concern)

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Notes to special accounting procedures for preparation of the quarterly consolidated financial statements)

With respect to tax expenses, the Company reasonably estimated the effective tax rate after applying tax effect accounting to net income before income taxes in the fiscal year containing the first quarter under review and calculated them by multiplying this estimated effective tax rate by net income before income taxes.

(Notes to quarterly consolidated balance sheet)

*Allowance for doubtful accounts deducted directly from the amount of assets

	Previous fiscal year As of March 31, 2025	First quarter under review As of June 30, 2025
Current assets	744 thousand yen	303 thousand yen
Investments and other assets	1,321	1,756

(Notes to quarterly consolidated statement of cash flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the three-month period under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three-month period under review are as follows.

	Three-month period in the previous fiscal year (from April 1, 2024 to June 30, 2024)	Three-month period under review (from April 1, 2025 to June 30, 2025)
Depreciation	5,012 thousand yen	9,746 thousand yen
Amortization of goodwill	4,080	4,080

(Notes to segment information)

Segment information

I. Three-month period in the previous fiscal year (From April 1, 2024 to June 30, 2024)

1. Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Unit: Thousand yen)

	Reporting segment				Other (Note)	Total
	Translation Business	Temporary Staffing Business	Interpretation Business	Total		
Net sales						
Translation						
Patent	749,797	—	—	749,797	—	749,797
Medical	598,387	—	—	598,387	—	598,387
Industrial & Localization	500,977	—	—	500,977	—	500,977
Finance & Legal	197,860	—	—	197,860	—	197,860
Temporary Staffing	—	289,688	—	289,688	—	289,688
Interpretation	—	—	284,846	284,846	—	284,846
Other	—	—	—	—	94,125	94,125
Revenue from customer contracts	2,047,022	289,688	284,846	2,621,557	94,125	2,715,682
Other revenue	—	—	—	—	—	—
Sales to external customers	2,047,022	289,688	284,846	2,621,557	94,125	2,715,682
Intersegment sales or transfer	9,389	1,496	212	11,098	110	11,208
Total	2,056,411	291,184	285,058	2,632,655	94,235	2,726,890
Segment income (loss)	160,695	4,517	14,091	179,305	(6,314)	172,990

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

2. Difference between total income or loss of reporting segment and amounts reported in quarterly consolidated statement of income and major components thereof (matters concerning difference adjustment)

(Unit: Thousand yen)

Income	Amount of payment
Reporting segment total	179,305
“Other” income	(6,314)
Elimination of intersegment transactions	771
Operating income in quarterly consolidated statement of income	173,762

II. Three-month period under review (from April 1, 2025 to June 30, 2025)

1. Information on net sales, income, and breakdown of revenue by reporting segment

(Unit: Thousand yen)

	Reporting segment				Other (Note)	Total
	Translation Business	Temporary Staffing Business	Interpretation Business	Total		
Net sales						
Translation						
Patent	786,731	—	—	786,731	—	786,731
Medical	622,921	—	—	622,921	—	622,921
Industrial & Localization	420,229	—	—	420,229	—	420,229
Finance & Legal	179,406	—	—	179,406	—	179,406
Temporary Staffing	—	288,460	—	288,460	—	288,460
Interpretation	—	—	294,793	294,793	—	294,793
Other	—	—	—	—	76,831	76,831
Revenue from customer contracts	2,009,289	288,460	294,793	2,592,543	76,831	2,669,374
Other revenue	—	—	—	—	—	—
Sales to external customers	2,009,289	288,460	294,793	2,592,543	76,831	2,669,374
Intersegment sales or transfer	5,700	1,315	1,224	8,241	110	8,351
Total	2,014,990	289,775	296,018	2,600,784	76,942	2,677,726
Segment income	168,335	14,066	22,154	204,556	7,110	211,667

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

2. Difference between total income or loss of reporting segment and amounts reported in quarterly consolidated statement of income and major components thereof (matters concerning difference adjustment)

(Unit: Thousand yen)

Income	Amount of payment
Reporting segment total	204,556
“Other” income	7,110
Elimination of intersegment transactions	1,013
Operating income in quarterly consolidated statement of income	212,680