



Financial Results for the Fiscal Year Ended March 31, 2026 [Japan GAAP] (Consolidated)

May 12, 2026

Company Name: Honyaku Center Inc. Exchange listed on: Tokyo Stock Exchange
 Securities Code: 2483 URL <https://www.honyakuctr.com>
 Representative: (Title) President (Name) Shunichiro Ninomiya
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 Scheduled date of Annual Meeting of Shareholders: June 25, 2026
 Scheduled commencement date of dividend payments: June 26, 2026
 Scheduled filing date of the securities report: June 24, 2026
 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, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	10,871	(3.0)	705	(20.7)	748	(17.3)	462	(36.1)
Fiscal year ended March 31, 2025	11,210	(0.8)	890	(1.3)	905	(3.5)	723	1.7

(Note)

Comprehensive income Fiscal year ended March 31, 2026 501 million yen (-29.6%) Fiscal year ended March 31, 2025 713 million yen (-0.4%)

	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, 2026	137.79	—	6.7	8.5	6.4
Fiscal year ended March 31, 2025	216.18	—	11.1	10.5	7.9

(Reference)

Equity method investment gain (loss) Fiscal year ended March 31, 2026 29 million yen Fiscal year ended March 31, 2025 19 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, 2026	8,774	7,023	80.0	2,092.43
Fiscal year ended March 31, 2025	8,836	6,760	76.5	2,018.02

(Reference)

Shareholders' equity Fiscal year ended March 31, 2026 7,023 million yen Fiscal year ended March 31, 2025 6,760 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, 2026	1,058	(943)	(286)	4,409
Fiscal year ended March 31, 2025	503	(195)	(217)	4,580

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, 2025	—	0.00	—	75.00	75.00	251	34.6	3.8
Fiscal year ended March 31, 2026	—	0.00	—	140.00	140.00	469	101.6	6.8
Fiscal year ending March 31, 2027 (forecast)	—	0.00	—	140.00	140.00		94.1	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	2.8	260	(25.0)	270	(26.5)	160	(33.1)	47.60
Full year	11,300	3.9	750	6.2	780	4.1	500	8.1	148.74

*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: None

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

Fiscal year ended March 31, 2026	3,369,000 shares	Fiscal year ended March 31, 2025	3,369,000 shares
Fiscal year ended March 31, 2026	12,207 shares	Fiscal year ended March 31, 2025	18,822 shares
Fiscal year ended March 31, 2026	3,354,242 shares	Fiscal year ended March 31, 2025	3,347,601 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-Consolidated Operating Results

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2026	7,771	(1.2)	596	(24.9)	619	(24.4)	406	(39.8)
Fiscal year ended March 31, 2025	7,873	0.4	794	(8.7)	820	(8.5)	675	12.4

	Net income per share	Net income per share – diluted
	Yen	Yen
Fiscal year ended March 31, 2026	121.23	—
Fiscal year ended March 31, 2025	201.82	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	Yen
Fiscal year ended March 31, 2026	7,837	6,517	83.1	1,941.56
Fiscal year ended March 31, 2025	7,991	6,349	79.4	1,895.22

(Reference)

Shareholders' equity	Fiscal year ended March 31, 2026	6,517 million yen	Fiscal year ended March 31, 2025	6,349 million yen
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* 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 7 of the attachments.

○ Table of Contents of Attachments

1. Overview of Operating Results, etc.	5
(1) Overview of operating results for the fiscal year ended March 31, 2026	5
(2) Overview of financial position as of March 31, 2026	6
(3) Overview of cash flows for the fiscal year ended March 31, 2026	6
(4) Future outlook	7
2. Basic Approach towards Selection of Accounting Standard	7
3. Consolidated Financial Statements and Key Notes	8
(1) Consolidated balance sheet	8
(2) Consolidated statement of income and consolidated statement of comprehensive income	10
Consolidated statement of income	10
Consolidated statement of comprehensive income	11
(3) Consolidated statement of changes in equity	12
(4) Consolidated statement of cash flows	14
(5) Notes to consolidated financial statements	15
(Notes to assumptions for going concern)	15
(Significant matters that serve as the basis for the preparation of consolidated financial statements)	15
(Change of presentation method)	17
(Notes to segment information)	18
(Per share information)	23
(Important subsequent events)	23

1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year ended March 31, 2026

During the fiscal year under review, the Japanese economy generally remained on a gradual recovery path due to the improved employment and income environment and the impact of various policies. On the other hand, a cautious view of the future remains necessary, as persistent uncertainty associated with U.S. trade policy and the slowdown of overseas economies, continued price increases, and fluctuations in financial and capital markets continue to be monitored as factors posing risks of an economic downturn.

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 ended March 31, 2026 to the fiscal year ending March 31, 2028, the Honyaku Center Group (the “Group”) has been 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 models (LLM).

As a result, for the fiscal year under review, the Group posted consolidated net sales of 10,871 million yen, down 3.0% 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 705 million yen, down 20.7% on a year-on-year basis due to a decrease in gross profit resulting from lower net sales despite Group-wide efforts to reduce costs; ordinary income of 748 million yen, down 17.3% on a year-on-year basis; and net income attributable to the parent company’s shareholders of 462 million yen, down 36.1% on a year-on-year basis, reflecting the absence of the gain on sale of shares of subsidiaries and compensation for the forced relocation of the Tokyo head office recorded in the previous fiscal year.

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

i) Translation Business

In the Patent field, net sales increased by 1.1% on a year-on-year basis to 2,945 million yen due to business 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, despite higher orders from certain major clients of foreign pharmaceutical companies and the winning of several large projects from Japanese pharmaceutical companies, net sales remained largely unchanged on a year-on-year basis at 2,677 million yen, due to a decrease in orders from contract research organizations (CRO) from the second quarter onward. In the Industrial & Localization field, net sales decreased 15.3% on a year-on-year basis to 1,930 million yen, reflecting the absence of large projects the Group won from energy companies and service providers 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 12.2% on a year-on-year basis to 543 million yen due to decreased orders for legal and other documents and the absence of large public-sector projects won in the same period of the previous fiscal year, despite an increase in orders for IR documents due to the launch of our new service for timely disclosure of information.

As a result, net sales of the Translation Business were 8,096 million yen, down 4.8% on a year-on-year basis.

ii) Temporary Staffing Business

In the Temporary Staffing Business, net sales amounted to 1,123 million yen, down 4.4% on a year-on-year basis, due to sluggish growth in 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 11.4% on a year-on-year basis to 1,323 million yen, reaching a record high for the third consecutive year, due to the winning of several global conference projects as well as large one-off projects, in addition to continued orders from existing customers, such as pharmaceutical companies, electrical/electronic parts manufacturers, and information and communications companies.

iv) Other

In the Other segment, net sales decreased by 3.6% on a year-on-year basis to 328 million yen as a result of decreased sales due to the downsizing of the Convention Business.

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

(Assets)

Current assets as of the end of the fiscal year under review were 7,275 million yen, down 391 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease in accounts receivable - trade. Non-current assets increased 329 million yen from the end of the previous fiscal year to 1,498 million yen. This was mainly due to an increase in software in progress.

As a result, total assets were 8,774 million yen, down 62 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 1,505 million yen, down 342 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease in income taxes payable. Non-current liabilities were 244 million yen, up 17 million yen from the end of the previous fiscal year.

As a result, total liabilities were 1,750 million yen, down 325 million yen 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 7,023 million yen, up 263 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 4,409 million yen, down 171 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 1,058 million yen (proceeds of 503 million yen in the previous year).

This was mainly due to 711 million yen of net income before income taxes and a decrease of 236 million yen in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities was 943 million yen (payments of 195 million yen in the previous year).

This was mainly due to 600 million yen of payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was 286 million yen (payments of 217 million yen in the previous year).

This was mainly due to 251 million yen of dividends paid.

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Shareholders' equity ratio (%)	70.9	75.7	75.0	76.5	80.0
Shareholders' equity ratio on a market value basis (%)	68.7	72.2	82.8	71.9	69.2
Ratio of cash flows to interest-bearing debt (year)	—	—	—	—	1.6
Interest coverage ratio (times)	—	—	—	—	5,669.2

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 is expected to remain uncertain due to continued price increases and monetary policy trends, fluctuations in financial and capital markets, as well as prolonged geopolitical risks. In addition, the business environment surrounding the Group is undergoing rapid advances in digital technology, particularly the sophistication of AI technology. This is significantly changing the way information is distributed as well as the nature of communication in corporate activities, and competition for customers is expected to intensify further.

Under these business conditions, the Company celebrated its 40th anniversary in April 2026. Rooted in the business foundation developed under a group structure centered on the Translation Business along with the Interpretation and Temporary Staffing Businesses, the Group, based on the Medium-Term Management Plan announced last May (covering the period from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028), will continue to 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, the Group will strive, under the Medium-Term Management Plan, to improve operational efficiency and enhance services by leveraging AI and data to further strengthen its competitiveness. In addition, the Group will accurately understand increasingly diverse and sophisticated customer needs associated with advances in digital technology and changes in the market environment, develop and provide new services, and build long-term, stable relationships with corporate clients with the aim of further expanding its customer share.

In the Temporary Staffing Business, the Group will continue to focus on securing and expanding personnel with advanced language skills in cooperation with the Group's interpreter and translator school ISS Institute, Inc., and broaden its service areas based on the changing needs of corporate clients in order to grow its customer base and strengthen the business foundation.

In the Interpretation Business, the Group will continue to provide services that meet the needs of corporate clients and make proposals for high value-added services that combine interpretation services with related services in order to further deepen relationships with corporate clients and improve business performance.

As a result, the Group expects net sales of 11,300 million yen, up 3.9% on a year-on-year basis; operating income of 750 million yen, up 6.2% on a year-on-year basis; ordinary income of 780 million yen, up 4.1% on a year-on-year basis; and net income attributable to the parent company's shareholders of 500 million yen, up 8.1% 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, 2025	Fiscal year under review As of March 31, 2026
Assets		
Current assets		
Cash and deposits	4,825,751	5,047,753
Notes and accounts receivable – trade	2,074,186	1,848,226
Electronically recorded monetary claims - operating	126,424	121,269
Work in process	122,634	127,184
Other	518,833	131,202
Allowance for doubtful accounts	(744)	(261)
Total current assets	7,667,084	7,275,376
Non-current assets		
Property, plant and equipment		
Buildings and structures	228,551	231,741
Accumulated depreciation	(55,822)	(85,348)
Buildings and structures, net	172,728	146,393
Tools, furniture and fixtures	72,512	84,036
Accumulated depreciation	(60,983)	(65,534)
Tools, furniture and fixtures, net	11,529	18,501
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	209,672	190,308
Intangible assets		
Goodwill	53,045	60,922
Software in progress	19,096	306,122
Other	20,926	12,116
Total intangible assets	93,067	379,161
Investments and other assets		
Investment securities	346,316	375,701
Retirement benefit assets	114,948	160,516
Deferred tax assets	193,516	183,710
Other	212,999	210,445
Allowance for doubtful accounts	(1,321)	(1,213)
Total investments and other assets	866,459	929,159
Total non-current assets	1,169,199	1,498,629
Total Assets	8,836,284	8,774,005

(Unit: Thousand yen)

	Previous fiscal year As of March 31, 2025	Fiscal year under review As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable – trade	743,874	692,712
Current portion of long-term borrowings	–	4,800
Income taxes payable	191,769	114,279
Refund liability	2,510	2,362
Provision for bonuses	310,771	286,621
Provision for bonuses for directors (and other officers)	25,000	23,000
Other	574,461	381,712
Total current liabilities	1,848,387	1,505,488
Non-current liabilities		
Long-term borrowings	–	12,400
Provision for directors' retirement benefits	11,408	11,408
Retirement benefit liability	215,740	220,824
Total non-current liabilities	227,148	244,632
Total Liabilities	2,075,536	1,750,121
Net assets		
Shareholders' equity		
Capital stock	588,443	588,443
Capital surplus	478,823	478,823
Retained earnings	5,703,194	5,910,311
Treasury shares	(46,303)	(29,797)
Total shareholders' equity	6,724,157	6,947,779
Accumulated other comprehensive income		
Accumulated remeasurements of defined benefit plans	36,590	76,104
Total accumulated other comprehensive income	36,590	76,104
Total Net Assets	6,760,747	7,023,884
Total liabilities and net assets	8,836,284	8,774,005

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

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Net sales	11,210,147	10,871,456
Cost of sales	5,895,571	5,718,071
Gross profit	5,314,575	5,153,385
Selling, general and administrative expenses	4,424,087	4,447,591
Operating income	890,488	705,793
Non-operating income		
Interest income	2,370	9,894
Share of profit of entities accounted for using equity method	19,859	29,384
Foreign exchange gains	—	2,340
Other	1,373	1,492
Total non-operating income	23,603	43,112
Non-operating expenses		
Interest expenses	—	186
Foreign exchange losses	8,398	—
Miscellaneous losses	1	60
Total non-operating expenses	8,400	247
Ordinary income	905,691	748,659
Extraordinary income		
Gain on sale of shares of subsidiaries	37,384	—
Compensation for forced relocation	158,214	—
Total extraordinary income	195,598	—
Extraordinary losses		
Loss on retirement of non-current assets	14,539	786
Impairment losses	—	36,507
Total extraordinary losses	14,539	37,293
Net income before income taxes	1,086,750	711,365
Income taxes - current	324,486	258,186
Income taxes - deferred	38,548	(9,023)
Total income taxes	363,034	249,163
Net income	723,716	462,202
Net income attributable to the parent company's shareholders	723,716	462,202

(Consolidated statement of comprehensive income)

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Net income	723,716	462,202
Other comprehensive income		
Foreign currency translation adjustment	(52,319)	—
Remeasurements of defined benefit plans	41,847	39,514
Total other comprehensive income	(10,472)	39,514
Comprehensive income	713,244	501,716
(Components)		
Comprehensive income attributable to the parent company's shareholders	713,244	501,716
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

Previous fiscal year (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 rereasurements of defined benefit plans	Other comprehensive income Cumulative total	
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

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(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	5,703,194	(46,303)	6,724,157
Changes in items during period					
Dividends of surplus			(251,263)		(251,263)
Net income attributable to the parent company's shareholders			462,202		462,202
Purchase of treasury shares			(157)	157	—
Restricted share-based remuneration			(3,664)	16,348	12,683
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	207,116	16,505	223,622
Balance at end of current period	588,443	478,823	5,910,311	(29,797)	6,947,779

	Accumulated other comprehensive income		Total Net Assets
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	36,590	36,590	6,760,747
Changes in items during period			
Dividends of surplus			(251,263)
Net income attributable to the parent company's shareholders			462,202
Purchase of treasury shares			—
Restricted share-based remuneration			12,683
Net changes in items other than shareholders' equity	39,514	39,514	39,514
Total changes in items during period	39,514	39,514	263,136
Balance at end of current period	76,104	76,104	7,023,884

(4) Consolidated statement of cash flows

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Net income before income taxes	1,086,750	711,365
Depreciation	24,971	48,161
Share-based remuneration expenses	13,214	13,073
Amortization of goodwill	16,321	19,516
Interest and dividend income	(2,371)	(9,895)
Interest expenses	—	186
Share of loss (profit) of entities accounted for using equity method	(19,859)	(29,384)
Loss on retirement of non-current assets	14,539	786
Impairment losses	—	36,507
Loss (gain) on sale of shares of subsidiaries	(37,384)	—
Compensation for forced relocation	(158,214)	—
Increase (decrease) in allowance for doubtful accounts	(827)	(591)
Increase (decrease) in provision for bonuses	23,761	(24,149)
Increase (decrease) in provision for directors' bonuses	50	(2,000)
Increase (decrease) in net defined benefit liability	65,543	60,988
Decrease (increase) in net defined benefit asset	(40,532)	(21,643)
Decrease (increase) in trade receivables	83,820	236,061
Decrease (increase) in inventories	32,147	(3,994)
Increase (decrease) in trade payables	(104,346)	(51,162)
Other	(152,673)	166,754
Subtotal	844,911	1,150,579
Interest and dividends received	2,371	9,895
Interest paid	—	(186)
Proceeds from compensation for forced relocation	—	235,755
Income taxes refund (paid)	(344,134)	(337,528)
Net cash provided by (used in) operating activities	503,148	1,058,515
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,256)	(189,870)
Purchase of intangible assets	(11,831)	(303,257)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(31,424)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(30,811)	—
Payments into time deposits	(6,003)	(600,000)
Proceeds from withdrawal of time deposits	—	206,883
Payments for guarantee deposits	(165,659)	(31,557)
Proceeds from collection of guarantee deposits	25,868	5,597
Net cash provided by (used in) investing activities	(195,693)	(943,628)
Cash flows from financing activities		
Dividends paid	(217,326)	(251,263)
Repayments of long-term borrowings	—	(34,737)
Net cash provided by (used in) financing activities	(217,326)	(286,000)
Effect of exchange rate change on cash and cash equivalents	469	—
Net increase (decrease) in cash and cash equivalents	90,599	(171,114)
Cash and cash equivalents at beginning of period	4,490,194	4,580,793
Cash and cash equivalents at end of period	4,580,793	4,409,679

(5) Notes to consolidated financial statements

(Notes to assumptions for going concern)

Not applicable.

(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.

Panacea Co., Ltd.

Fukuyama Industrial Translation Center, Ltd.

Citrus Japan, Inc.

Of the above companies, Citrus Japan, Inc. was included in the scope of consolidation because the Company acquired its shares and made it a subsidiary during the fiscal year under review.

FIPAS Inc. was excluded from the scope of consolidation due to its merger with the Company on October 1, 2025.

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

Tools, furniture and fixtures 3–15 years

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 to 10 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 corporate clients for confidentiality reasons, and dispatches interpreters who engage in interpretation

within corporate clients. 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 balance sheet)

“Electronically recorded monetary claims - operating,” which was included in “Notes and accounts receivable - trade” under “Current assets” in the previous fiscal year, has been presented separately from the fiscal year under review for greater clarity in presentation. To reflect this change in the presentation method, the consolidated balance sheet for the previous fiscal year has been reclassified.

As a result, 2,200,610 thousand yen presented in “Notes and accounts receivable - trade” under “Current assets” on the consolidated balance sheet for the previous fiscal year has been reclassified as “Notes and accounts receivable - trade” of 2,074,186 thousand yen and “Electronically recorded monetary claims - operating” of 126,424 thousand yen.

The Company has decided to separately present “Software in progress,” which was included in “Other” under “Intangible assets” in the previous fiscal year, from the fiscal year under review due to its increased materiality in terms of amount. To reflect this change in the presentation method, the consolidated balance sheet for the previous fiscal year has been reclassified.

As a result, 40,022 thousand yen presented in “Other” under “Intangible assets” on the consolidated balance sheet for the previous fiscal year has been reclassified as “Software in progress” of 19,096 thousand yen and “Other” of 20,926 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

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, 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.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: Thousand yen)

	Reporting segment				Other (Note)	Total
	Translation Business	Temporary Staffing Business	Interpretation Business	Total		
Net sales						
Translation						
Patent	2,945,107	—	—	2,945,107	—	2,945,107
Medical	2,677,482	—	—	2,677,482	—	2,677,482
Industrial & Localization	1,930,015	—	—	1,930,015	—	1,930,015
Finance & Legal	543,823	—	—	543,823	—	543,823
Temporary Staffing	—	1,123,622	—	1,123,622	—	1,123,622
Interpretation	—	—	1,323,331	1,323,331	—	1,323,331
Other	—	—	—	—	328,074	328,074
Revenue from customer contracts	8,096,428	1,123,622	1,323,331	10,543,382	328,074	10,871,456
Other revenue	—	—	—	—	—	—
Sales to external customers	8,096,428	1,123,622	1,323,331	10,543,382	328,074	10,871,456
Intersegment sales or transfer	15,316	1,315	862	17,493	1,304	18,798
Total	8,111,744	1,124,937	1,324,193	10,560,875	329,379	10,890,254
Segment income	545,364	36,643	113,671	695,679	10,028	705,707
Segment assets	7,683,912	141,512	196,915	8,022,340	364,225	8,386,566
Other items						
Depreciation	42,688	1,352	2,888	46,928	1,233	48,161
Investment in entities accounted for using equity method	—	—	—	—	206,206	206,206
Increase in property, plant and equipment and intangible assets	307,963	—	—	307,963	480	308,443

(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	10,901,100	10,560,875
“Other” net sales	341,364	329,379
Elimination of intersegment transactions	(32,318)	(18,798)
Net sales reported in consolidated financial statements	11,210,147	10,871,456

(Unit: Thousand yen)

Income	Previous fiscal year	Fiscal year under review
Reporting segment total	896,134	695,679
“Other” income	(10,114)	10,028
Elimination of intersegment transactions	4,467	3,280
Amortization of goodwill	—	(3,195)
Operating income reported in consolidated financial statements	890,488	705,793

(Unit: Thousand yen)

Assets	Previous fiscal year	Fiscal year under review
Reporting segment total	8,134,992	8,022,340
“Other” assets	316,270	364,225
Elimination of intersegment transactions	(551,719)	(664,617)
Unamortized balance of goodwill	—	60,706
Company-wide assets (Note)	936,740	991,350
Total assets reported in consolidated financial statements	8,836,284	8,774,005

(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	24,246	46,928	760	1,233	—	—	25,007	48,161
Increase in property, plant and equipment and intangible assets	192,891	307,963	10,890	480	—	—	203,781	308,443

[Relevant information]

Previous fiscal year (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.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

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]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

Not applicable.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: Thousand yen)

	Translation Business	Temporary Staffing Business	Interpretation Business	Other	Company-wide	Total
Impairment losses	36,507	—	—	—	—	36,507

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

Previous fiscal year (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

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: Thousand yen)

	Translation Business	Temporary Staffing Business	Interpretation Business	Other	Company-wide	Total
Amortization during period	16,225	96	—	3,195	—	19,516
Balance at end of current period	—	216	—	60,706	—	60,922

[Information on gain on bargain purchase by reporting segment]

Not applicable.

(Per share information)

Previous fiscal year (from April 1, 2024 to March 31, 2025)		Fiscal year under review (from April 1, 2025 to March 31, 2026)	
Net assets per share	2,018.02 yen	Net assets per share	2,092.43 yen
Net income per share	216.18 yen	Net income per share	137.79 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, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Net income per share		
Net income attributable to the parent company's shareholders (thousand yen)	723,716	462,202
Amount not attributable to common shareholders (thousand yen)	—	—
Net income attributable to owners of parent related to common shares (thousand yen)	723,716	462,202
Average number of common shares issued during the period (shares)	3,347,601	3,354,242

(Important subsequent events)

Not applicable.