Financial Results for the Three-Month Period Ended June 30, 2026 [Japan GAAP] (Consolidated)

August 7, 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
Contact: (Title) Administrative and Accounts Director (Name) Masashi Uotani Tel. 06-6282-5013
Scheduled commencement date of dividend payments: -
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, 2026 (From April 1, 2026 to June 30, 2026)

(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, 2026	2,454	(8.0)	62	(70.8)	67	(69.3)	36	(74.1)
Three-month period ended June 30, 2025	2,669	(1.7)	212	22.3	219	24.8	142	26.8

(Note)
Comprehensive income Three-month period ended June 30, 2026 35million yen (-75.3%) Three-month period ended June 30, 2025 142million yen (17.6%)

	Net income per share	Net income per share – diluted
	Yen	Yen
Three-month period ended June 30, 2026	11.00	-
Three-month period ended June 30, 2025	42.65	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three-month period ended June 30, 2026	8,276	6,588	79.6
Fiscal year ended March 31, 2026	8,774	7,023	80.0

(Reference)
Shareholders' equity Three-month period ended June 30, 2026 6,588million yen Fiscal year ended March 31, 2026 7,023million 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, 2026	-	0.00	-	140.00	140.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (forecast)		0.00	-	140.00	140.00

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

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

(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

(Note) For details, see "2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes to quarterly consolidated financial statements (Notes to special accounting procedures used for preparation of the quarterly consolidated financial statements)" on Page 9 of the attachments.

(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)	Three-month period ended June 30, 2026	3,369,000shares	Fiscal year ended March 31, 2026	3,369,000shares
2) Number of treasury shares at the end of the period	Three-month period ended June 30, 2026	12,207shares	Fiscal year ended March 31, 2026	12,207shares
3) Average number of shares issued during the period (cumulative from the beginning of the fiscal year)	Three-month period ended June 30, 2026	3,356,793shares	Three-month period ended June 30, 2025	3,350,178shares

* 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, 2026

During the three-month period under review, the Japanese economy generally remained on a gradual recovery path due to the improved employment and income environment and steady capital investment. On the other hand, we need to continuously monitor the economic impact of U.S. trade policy developments, as well as ongoing price increases and heightened geopolitical risks, including the situation in the Middle East, 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 ended 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 models (LLM).

For the three-month period ended June 30, 2026, the Group posted net sales of 2,454 million yen, down 8.0% on a year-on-year basis, due to a significant decrease in sales in the Translation Business, which is the core business, as a result of a decline in orders from certain major customers and the absence of spot projects that boosted sales in the same period of the previous fiscal year, although the Interpretation Business reached a record high. In terms of profit, the Group posted operating income of 62 million yen, down 70.8% on a year-on-year basis, as gross profit decreased due to a significant decrease in sales in the Translation Business; ordinary income of 67 million yen, down 69.3% on a year-on-year basis; and net income attributable to the parent company's shareholders of 36 million yen, down 74.1% on a year-on-year basis.

The Group's business performance by segment is as follows. Effective from the first quarter under review, the presentation method of disaggregation information of the Translation Business has been changed to more accurately reflect the Company's service areas. As the scope of aggregation was changed from "Industrial & Localization" and "Finance & Legal" to "Technology" and "Business," the disaggregation information for the first three months of the previous fiscal year has been reclassified.

1) Translation Business

In the Patent field, major customers include patent offices and the intellectual property departments of companies, and orders from the latter have generally been in line with the plan. Amid cost-containment efforts, patent offices are considering internalizing their operations and reviewing their ordering policies. As a result, orders were sluggish, and net sales decreased by 10.6% on a year-on-year basis to 702 million yen. In the Medical field, net sales decreased by 20.4% on a year-on-year basis to 495 million yen, reflecting weak overall orders from a specific major client of foreign pharmaceutical company and contract research organizations (CROs), which had been strong in the same period of the previous fiscal year, as well as the absence of spot projects secured from several Japanese pharmaceutical companies in the same period of the previous fiscal year. The Company has maintained its business with major customers and will continue to closely monitor customer trends and work to strengthen its relationships with them. In the Technology field, despite weak orders from automobile companies, net sales increased by 3.0% on a year-on-year basis to 361 million yen, owing to orders for large-scale multilingual spot projects from several machinery manufacturers. In the Business field, major customers consist of the administrative departments of companies, and the Company offers translation services for documents related to accounting and finance, HR and legal affairs, public relations and marketing, with a focus on IR documents. In the three-month period under review, net sales decreased by 19.6% on a year-on-year basis to 199 million yen due to a year-on-year decline in orders for IR documents, as well as sluggish orders for HR, governance, public relations and marketing documents.

As a result, net sales of the Translation Business were 1,759 million yen, down 12.4% on a year-on-year basis.

2) Temporary Staffing Business

In the Temporary Staffing Business, net sales amounted to 284 million yen, down 1.3% on a year-on-year basis, due to the number of staff under regular employment and referral fee income were both below the levels recorded in the same period of the previous fiscal year, despite steady demand for staff with strong language skills.

3) Interpretation Business

In the Interpretation Business, net sales increased by 9.7% on a year-on-year basis to 323 million yen, reaching a record high for the first three months of a fiscal year, due to the winning of recurring projects, including multi-year contracts, from customers who use other companies' services and the expanded use of interpretation services among the customer base of the Translation Business, in addition to continued orders from existing customers.

4) Other

In the Other segment, net sales increased by 12.6% on a year-on-year basis to 86 million yen, mainly due to the impact of Citrus Japan, Inc., which operates a web production business, being included in the Group from the third quarter of the previous fiscal year.

(2) Overview of financial position as of June 30, 2026

(Assets)

Current assets as of the end of the first quarter under review were 6,780 million yen, down 495 million yen compared with the end of the previous fiscal year. This was mainly due to decreases in cash and deposits and notes and accounts receivable - trade. Non-current assets were 1,496 million yen, remaining nearly unchanged from the end of the previous fiscal year.

As a result, total assets were 8,276 million yen, down 497 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 1,441 million yen, down 64 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease in provision for bonuses. Non-current liabilities were 246 million yen, remaining nearly unchanged from the end of the previous fiscal year.

As a result, total liabilities were 1,687 million yen, down 62 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 6,588 million yen, down 434 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 2027, there is no change in the consolidated financial results forecasts for the first six months as well as for the full year disclosed in “Financial Results for the Fiscal Year Ended March 31, 2026” released on May 12, 2026.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Unit: Thousand yen)

	Previous fiscal year As of March 31, 2026	First quarter under review As of June 30, 2026
Assets		
Current assets		
Cash and deposits	5,047,753	4,679,683
Notes and accounts receivable - trade, net	* 1,847,965	*1,634,333
Electronically recorded monetary claims - operating	121,269	134,080
Work in process	127,184	159,001
Other	131,202	172,968
Total current assets	7,275,376	6,780,067
Non-current assets		
Property, plant and equipment	190,308	182,021
Intangible assets		
Goodwill	60,922	59,300
Software in progress	306,122	316,968
Other	12,116	10,876
Total intangible assets	379,161	387,145
Investments and other assets	* 929,159	* 927,481
Total non-current assets	1,498,629	1,496,649
Total Assets	8,774,005	8,276,716
Liabilities		
Current liabilities		
Accounts payable – trade	692,712	635,709
Current portion of long-term borrowings	4,800	4,800
Income taxes payable	114,279	40,255
Refund liability	2,362	1,107
Provision for bonuses	286,621	144,775
Provision for bonuses for directors (and other officers)	23,000	7,000
Other	381,712	607,766
Total current liabilities	1,505,488	1,441,414
Non-current liabilities		
Long-term borrowings	12,400	11,200
Provision for directors' retirement benefits	11,408	11,408
Retirement benefit liability	220,824	223,698
Total non-current liabilities	244,632	246,306
Total Liabilities	1,750,121	1,687,720
Net assets		
Shareholders' equity		
Capital stock	588,443	588,443
Capital surplus	478,823	478,823
Retained earnings	5,910,311	5,477,287
Treasury shares	(29,797)	(29,797)
Total shareholders' equity	6,947,779	6,514,756
Accumulated other comprehensive income		
Accumulated remeasurements of defined benefit plans	76,104	74,239
Total accumulated other comprehensive income	76,104	74,239
Total Net Assets	7,023,884	6,588,996
Total liabilities and net assets	8,774,005	8,276,716

(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, 2025 to June 30, 2025)	Three-month period under review (from April 1, 2026 to June 30, 2026)
Net sales	2,669,374	2,454,022
Cost of sales	1,366,299	1,281,707
Gross profit	1,303,075	1,172,315
Selling, general and administrative expenses	1,090,395	1,110,301
Operating income	212,680	62,014
Non-operating income		
Interest income	153	1,860
Share of profit of entities accounted for using equity method	6,468	3,283
Other	339	1,637
Total non-operating income	6,960	6,782
Non-operating expenses		
Foreign exchange losses	440	1,030
Other	38	486
Total non-operating expenses	479	1,516
Ordinary income	219,161	67,279
Extraordinary losses		
Loss on retirement of non-current assets	286	-
Total extraordinary losses	286	-
Net income before income taxes	218,875	67,279
Income taxes	75,972	30,352
Net income	142,902	36,927
Net income attributable to the parent company’s shareholders	142,902	36,927

(Quarterly consolidated statement of comprehensive income)

(Unit: Thousand yen)

	Three-month period in the previous fiscal year (from April 1, 2025 to June 30, 2025)	Three-month period under review (from April 1, 2026 to June 30, 2026)
Net income	142,902	36,927
Other comprehensive income		
Remeasurements of defined benefit plans	(797)	(1,865)
Total other comprehensive income	(797)	(1,865)
Comprehensive income	142,105	35,062
(Components)		
Comprehensive income attributable to the parent company's shareholders	142,105	35,062
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 used 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, 2026	First quarter under review As of June 30, 2026
Current assets	261 thousand yen	356 thousand yen
Investments and other assets	1,213	751

(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, 2025 to June 30, 2025)	Three-month period under review (from April 1, 2026 to June 30, 2026)
Depreciation	9,746 thousand yen	7,251 thousand yen
Amortization of goodwill	4,080	1,621

(Notes to segment information)

Segment information

I. Three-month period in the previous fiscal year (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
Technology	350,595	-	-	350,595	-	350,595
Business	249,039	-	-	249,039	-	249,039
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
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

II. Three-month period under review (from April 1, 2026 to June 30, 2026)

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	702,554	-	-	702,554	-	702,554
Medical	495,536	-	-	495,536	-	495,536
Technology	361,367	-	-	361,367	-	361,367
Business	199,881	-	-	199,881	-	199,881
Temporary Staffing	-	284,473	-	284,473	-	284,473
Interpretation	-	-	323,635	323,635	-	323,635
Other	-	-	-	-	86,572	86,572
Revenue from customer contracts	1,759,340	284,473	323,635	2,367,450	86,572	2,454,022
Other revenue	-	-	-	-	-	-
Sales to external customers	1,759,340	284,473	323,635	2,367,450	86,572	2,454,022
Intersegment sales or transfer	928	-	298	1,226	136	1,362
Total	1,760,268	284,473	323,934	2,368,676	86,708	2,455,385
Segment income	21,249	12,108	20,213	53,571	9,578	63,150

(Note) (1) "Other" represents segments not included in reporting segments and includes the overseas patent application support business.

(2) Effective from the first quarter under review, the presentation method of disaggregation information of the Translation Business has been changed to more accurately reflect the Company's service areas. As the scope of aggregation was changed from "Industrial & Localization" and "Finance & Legal" to "Technology" and "Business," the disaggregation information for the first three months of the previous fiscal year has been reclassified.

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
Reporting segment total	53,571
"Other" income	9,578
Elimination of intersegment transactions	461
Amortization of goodwill	(1,597)
Operating income in quarterly consolidated statement of income	62,014