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Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 [Japanese GAAP]



July 9, 2025

Company name: TAKARA & COMPANY LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7921

URL: <https://www.takara-company.co.jp/>

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Scheduled date of Ordinary General Meeting of Shareholders: August 22, 2025

Scheduled date of filing annual securities report: August 21, 2025

Scheduled date of commencing dividend payments: August 1, 2025

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (financial results explanatory video to be streamed)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (June 1, 2024 to May 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2025	29,678	1.4	4,048	(4.3)	4,239	(1.6)	4,075	35.2
May 31, 2024	29,278	6.2	4,231	11.0	4,307	8.1	3,014	16.1

(Note) Comprehensive income: Fiscal year ended May 31, 2025: ¥3,821 million [(2.5%)]

Fiscal year ended May 31, 2024: ¥3,917 million [41.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2025	314.00	—	14.1	11.1	13.6
May 31, 2024	231.76	—	11.5	12.4	14.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 31, 2025: ¥— million

Fiscal year ended May 31, 2024: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2025	40,058	30,727	75.7	2,337.09
As of May 31, 2024	36,194	28,001	76.4	2,130.24

(Reference) Equity: As of May 31, 2025: ¥30,335 million

As of May 31, 2024: ¥27,645 million

(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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
May 31, 2025	4,366	1,271	(1,127)	19,041
May 31, 2024	3,355	(832)	(1,371)	14,536

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
May 31, 2024	–	40.00	–	40.00	80.00	1,038	34.5	4.0
May 31, 2025	–	45.00	–	75.00	120.00	1,557	38.2	5.4
Fiscal year ending May 31, 2026 (Forecast)	–	60.00	–	60.00	120.00		50.2	

(Reference) Year-end dividend for the fiscal year ended May 31, 2025: Ordinary dividend: ¥ 45.00, Special dividend: ¥ 30.00

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2026 (June 1, 2025 to May 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	33,000	11.2	4,400	8.7	3,100	(23.9)	238.83

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

One new company (company name): J. Trust Co., Ltd.

(Note) For details, please refer to “(5) Notes to Consolidated Financial Statements (Business combination, etc.) of 3. Consolidated Financial Statements and Primary Notes” on page 21 of the Attachments.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

May 31, 2025: 13,153,293 shares

May 31, 2024: 13,153,293 shares

2) Total number of treasury shares at the end of the period:

May 31, 2025: 173,282 shares

May 31, 2024: 175,785 shares

3) Average number of shares during the period:

Fiscal year ended May 31, 2025: 12,979,366 shares

Fiscal year ended May 31, 2024: 13,005,843 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (June 1, 2024 to May 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2025	2,681	1.0	1,646	1.9	1,792	7.6	2,893	77.2
May 31, 2024	2,655	(0.4)	1,616	(2.3)	1,665	(3.7)	1,632	8.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 31, 2025	222.92	—
May 31, 2024	125.54	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2025	26,088	24,937	95.6	1,921.19
As of May 31, 2024	23,874	23,288	97.5	1,794.55

(Reference) Equity: As of May 31, 2025: ¥24,937 million

As of May 31, 2024: ¥23,288 million

* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

- The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions that the Company regards as reasonable, and are not intended to guarantee that the Company will achieve these targets. Actual results may, therefore, differ materially from these statements for various reasons. For details on the specific assumptions on which the forecasts are based and cautionary statements regarding the use of financial forecasts, please see “(4) Future Outlook of 1. Overview of Operating Results, etc.” on page 6 of the Attachments.
- An on-demand financial results briefing video is scheduled to be posted on the Company’s website and YouTube on Tuesday, July 15, 2025. In addition, supplementary briefing materials on annual financial results are scheduled to be posted on the Company’s website promptly after the announcement of the financial results.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended May 31, 2025, the Japanese economy showed a gradual recovery, seeing an improvement in employment and wage conditions amid a strong resurgence of inbound tourism demand fueled by the economy's normalization and robust corporate earnings. However, several worrying factors possibly weighing on capital expenditures and personal consumption have cast a shadow of uncertainty. These include still-elevated raw material and energy prices, persistent inflation, possible future policy changes in the U.S., and escalating tensions in the Middle East and other overseas situations.

Under these circumstances, in the domestic stock market, which is relevant to the Disclosure-related business of the Company and its consolidated subsidiaries (the "Group"), the Nikkei Stock Average once again recovered to the 40,000-yen level in early July last year against the backdrop of the expectations on Japan's full-blown economic recovery and the robust semiconductor stocks enjoying strong earnings growth. After recording the biggest intraday drop in early August and showing a gradual recovery, however, it temporarily turned downward sharply and remained choppy due to the uncertainty surrounding the increase in tariffs by the U.S. and China in April. Thus, the Nikkei Stock Average fluctuated in the range of a 31,000 to 42,000-yen level.

In such a business environment, we believe that demand for responses to diversified and sophisticated information disclosure, including technological innovations in disclosure support systems, as well as the digitalization and globalization of businesses, will continue to gain traction.

In the Disclosure-related business, to meet the customers' needs that seek to increase their corporate value, we have made efforts to increase the number of companies implementing "WizLabo," an integrated business reporting system that facilitates their financial disclosure operations. We also continued to work on the digitization of general shareholder meeting processes, including "*Net de Shoshu* (online convocation)" and live/on-demand streaming of shareholder meetings, and the integration of cutting-edge technologies into various products and services. Meanwhile, we doubled down on our efforts to refine our value proposition, strengthen our production system, and enhance the quality of the various services. Such services include: IR support and translation services that facilitate more proactive engagement with stakeholders and further enhance disclosure of the company information to foreign investors, which are indispensable to adopting Japan's revised Corporate Governance Code and implementing management that is conscious of the cost of capital; voluntary disclosure-related services such as preparation of integrated reports to meet demand for enhanced disclosure of non-financial information, including sustainability information; and environment-related consulting services. Additionally, in collaboration with a department in charge of robotic process automation (RPA) in the Group, we have further promoted automation and enhanced efficiency of standardized routine operations through the use of robots. As a result, we now perform an annual total of more than 30,000 hours of customers' tasks by utilizing RPA.

In the Interpreting and Translation business, the interpretation business saw an increase in the number of customers for various types of meetings and conferences, although the momentum of the large-scale events slowed. The return of international conferences and events held in Japan and stable demand for internal online meetings, which had been significantly boosted during the pandemic, contributed to an increase in customers for on-site meetings and hybrid meetings that combine face-to-face and online meetings. The translation business enjoyed increased orders received. While we strived to reinforce the organization structure, we also conducted research on the impact of AI in the interpreting and translation industry and made efforts to enhance our service delivery structure, including the launches of "SIMULwiz," a translation platform, and "AI Interpreter" as new products to meet changing needs of our customers.

As a result, the Group's net sales for the fiscal year ended May 31, 2025 increased by ¥400 million, or 1.4%, year on year to ¥29,678 million. Operating profit decreased by ¥182 million, or 4.3%, year on year to ¥4,048 million, ordinary profit decreased by ¥68 million, or 1.6%, year on year to ¥4,239 million, and profit attributable to owners of parent increased by ¥1,061 million, or 35.2%, year on year to ¥4,075 million.

Operating results by segment are as follows.

The figures for each segment are after offsetting and eliminating intersegment sales and transfers.

(Disclosure-related business)

Net sales of the Disclosure-related business segment increased by ¥689 million, or 3.3%, year on year to ¥21,761 million thanks to an increase in the sales of “WizLabo,” an integrated business reporting system, and prospectuses and other documents, whereas segment profit decreased by ¥7 million, or 0.2%, year on year to ¥3,361 million due to factors such as an increase in manufacturing costs, personnel expenses, and other expenses.

Results by product category in the Disclosure-related business were as follows.

- Products relating to the Financial Instruments and Exchange Act

Thanks to an increase in the number of companies implementing “WizLabo,” an integrated business reporting system, and an increase in the sales of prospectuses, net sales increased by ¥895 million, or 11.4%, year on year to ¥8,727 million.

- Products relating to the Companies Act

In Japan, many customers’ fiscal years end in March; therefore, the deliveries of shareholders meeting-related products are generally concentrated in May and June. In recent years, however, there was a trend toward earlier disclosure of shareholder meeting convocation notices, and consequently, related sales were shifting to May. In the previous fiscal year, this tendency became more pronounced as the practice of electronically providing convocation notices became prevalent. As a result, net sales decreased by ¥95 million, or 1.4%, year on year to ¥6,505 million.

- Products relating to IR

Due to an increase in the sales of integrated reports, net sales increased by ¥173 million, or 3.7%, year on year to ¥4,907 million.

- Other products

Due to decreased sales of system development that supports corporate disclosure processes, net sales decreased by ¥284 million, or 14.9%, year on year to ¥1,621 million.

Net sales of the Disclosure-related business in the first and fourth quarters tend to be higher than in other quarters due to seasonal fluctuations associated with the concentration of our customers’ fiscal year-end in March.

(Interpreting & Translation business)

Net sales of the Interpreting & Translation business segment decreased by ¥289 million, or 3.5%, from the previous fiscal year to ¥7,917 million.

The interpreting business has been normalizing since late 2023, after demand soared around May 2023, as the events and international conferences suspended or postponed during the pandemic resurged. Demands related to internal online meetings, which had grown during the pandemic, maintained their momentum, and the number of customers using meetings in various forms, such as on-site conferences and hybrid meetings that combine face-to-face and online meetings, increased. As such, both the numbers of customers and orders increased year on year to stand at approximately the same levels as in the fiscal year ended May 31, 2023.

In the translation business, net sales decreased year on year because of the postponement of projects and the impact of AI translation in the domestic business although the orders from overseas were robust.

Segment profit decreased by ¥139 million, or 26.5%, year on year to ¥388 million, attributable to a decrease in net sales as well as an increase in SG&A expenses associated with reinforcing the structure and initial costs incurred to promote efficiency through machine translation.

Production results and orders received by product category are as follows.

a. Production results

Segment name	Product category	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025	Year-on-year	
		Amount (Thousand yen)	Amount (Thousand yen)	Amount (Thousand yen)	(%)
Disclosure-related business	Financial Instruments and Exchange Act-related	7,832,012	8,727,610	895,598	11.4
	Companies Act-related	6,600,558	6,505,273	(95,285)	(1.4)
	IR-related	4,733,659	4,907,338	173,678	3.7
	Other	1,905,431	1,621,154	(284,277)	(14.9)
	Disclosure-related business total	21,071,662	21,761,376	689,714	3.3
Interpreting & Translation business	Interpreting & Translation	8,206,593	7,917,408	(289,185)	(3.5)
Total		29,278,256	29,678,785	400,529	1.4

Note: The figures above are based on sales prices.

b. Orders received

Segment name	Product category	For the fiscal year ended May 31, 2024		For the fiscal year ended May 31, 2025		Year-on-year	
		Orders received (Thousand yen)	Order backlog (Thousand yen)	Orders received (Thousand yen)	Order backlog (Thousand yen)	Orders received (Thousand yen)	Order backlog (Thousand yen)
Disclosure-related business	Financial Instruments and Exchange Act-related	8,278,007	3,532,287	8,660,170	3,464,846	382,162	(67,440)
	Companies Act-related	6,354,878	1,355,715	6,642,405	1,492,848	287,527	137,132
	IR-related	4,824,759	1,511,541	4,630,895	1,235,098	(193,863)	(276,442)
	Other	2,007,113	250,636	1,647,820	277,302	(359,292)	26,666
	Disclosure-related business total	21,464,758	6,650,180	21,581,292	6,470,096	116,533	(180,084)
Interpreting & Translation business	Interpreting & Translation	8,194,848	29,443	7,906,362	18,397	(288,485)	(11,045)
Total		29,659,607	6,679,624	29,487,654	6,488,494	(171,952)	(191,130)

(2) Overview of Financial Position for the Fiscal Year under Review

1) Assets

Current assets increased by ¥4,612 million, or 21.5%, from the end of the previous fiscal year to ¥26,111 million. This was mainly due to increases in cash and deposits of ¥4,505 million and work in process of ¥132 million.

Non-current assets decreased by ¥749 million, or 5.1%, from the end of the previous fiscal year to ¥13,946 million. This was mainly due to decreases in land of ¥792 million and software of ¥131 million, despite increases in goodwill of ¥503 million and retirement benefit asset of ¥140 million.

As a result, total assets increased by ¥3,863 million, or 10.7%, from the end of the previous fiscal year to ¥40,058 million.

2) Liabilities

Current liabilities increased by ¥621 million, or 8.9%, from the end of the previous fiscal year to ¥7,567 million. This was mainly due to increases in accounts payable - trade of ¥249 million and accrued expenses of ¥257 million.

Non-current liabilities increased by ¥516 million, or 41.4%, from the end of the previous fiscal year to ¥1,763 million. This was mainly due to an increase in deferred tax liabilities of ¥433 million.

As a result, total liabilities increased by ¥1,137 million, or 13.9%, from the end of the previous fiscal year to ¥9,331 million.

3) Net assets

Total net assets increased ¥2,725 million, or 9.7%, from the end of the previous fiscal year to ¥30,727 million. This was mainly due to an increase resulting from the recording of profit attributable to owners of parent of ¥4,075 million, despite a decrease resulting from the payment of dividends of ¥1,103 million.

(3) Overview of Cash Flows for the Fiscal Year under Review

The Group's cash and cash equivalents (hereinafter "net cash") at the end of the fiscal year under review increased by ¥4,505 million, or 31.0%, from the end of the previous fiscal year to ¥19,041 million.

The status of cash flows during the period under review and their primary factors are explained below.

1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥4,366 million, a year-on-year increase of 30.1%.

A major source of operating cash inflows was profit before income taxes of ¥6,017 million, while major items of cash outflows were gain on sale of non-current assets of ¥1,794 million and income taxes paid of ¥1,350 million.

2) Cash flows from investing activities

Net cash provided by investing activities amounted to ¥1,271 million (net cash of ¥832 million used in the previous fiscal year).

A major source of investing cash inflows was proceeds from sale of property, plant and equipment of ¥2,742 million, while major items of cash outflows were purchase of property, plant and equipment and intangible assets of ¥956 million and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥508 million.

3) Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,127 million, a year-on-year decrease of 17.8%.

A major item of cash outflows was dividends paid of ¥1,100 million.

(Reference) Cash flow-related indicators

	FY5/2021	FY5/2022	FY5/2023	FY5/2024	FY5/2025
Equity ratio (%)	70.8	74.6	74.0	76.4	75.7
Equity ratio on a market value basis (%)	72.6	76.9	86.0	95.8	105.0
Ratio of interest-bearing debt to cash flows (Years)	0.3	0.1	0.1	0.0	0.1
Interest coverage ratio (Times)	219.3	628.7	2,020.6	2,766.2	2,427.6

Equity ratio: Equity/Total assets

Equity ratio on a market value basis: Market capitalization / Total assets

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

Interest coverage ratio: Cash flows / Interest expenses

Notes: 1. All figures are calculated based on consolidated financial data.

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

3. Cash flows mean cash flows from operating activities.

4. Interest-bearing debt represents all liabilities recorded on the consolidated balance sheet that are subject to interest payments.

(4) Future Outlook

The Group as a whole will continue to meet the various customers' needs for disclosure and global business expansion under our Medium-term Management Plan FY2026, an important management goal. Furthermore, we will maximize synergies among group companies to take an in-depth approach to customers' needs so that we will be able to consistently provide high value-added products and services and strive to enhance our business performance.

(Million yen)

	FY5/2025 (Actual)	FY5/2026 (Forecast)	Year-on-year (%)
Net sales	29,678	33,000	11.2
Operating profit	4,048	4,400	8.7
Profit attributable to owners of parent	4,075	3,100	(23.9) *

* A gain on sale of non-current assets of ¥1,794 million was recognized as extraordinary income in FY5/2025, so the year-on-year change in profit attributable to owners of parent was negative.

The outlook for each segment is as follows.

(Disclosure-related business)

As a comprehensive disclosure solutions company with “WizLabo,” an integrated business reporting system, as its platform, we will aim to further enhance customer experience through the provision of one-stop solutions. To be specific, we will work to enhance the capabilities of “WizLabo” by various measures, including full-scale implementation of AI on it and strengthening of its data collection function. We will also seek to strengthen the functions and increase sales of our digitization products, such as *Net de* series, web services, and streaming services that respond to the further digitization of the process of general shareholder meetings, and expand our consulting services in response to the growing customer needs. Moreover, we will strive to raise our business performance by further strengthening our integrated report preparation support system, which boasts a leading market share in Japan. In light of the growing needs driven by the globalization of information disclosure to investors, we will continue to seek to strengthen the Company's structure for providing high quality translation services and increase orders received by utilizing new technologies, including AI translation.

(Interpreting & Translation business)

While robust demand is expected in the interpreting business, challenges faced by the interpreting industry have changed to the lack of next-generation interpreters and the threat of alternatives driven by advanced AI. Setting the acquisition and development of next-generation interpreters and the commercialization of AI-related services as key priorities, we will leverage our strengths as the industry leader in terms of quality and quantity to further expand our business. In the translation business, we will further develop our specialty in two mainstay areas: disclosure translation and business translation. Moreover, we will take proactive steps to utilize AI and other technologies, including increasing the sale of “SIMULwiz,” our new product, and leverage economies of scale, which helps us increase the number of words to be translated, reduce costs, and raise market presence, to gain a competitive advantage. In addition, we will aim to gain wider recognition and expand sales of our staffing and recruitment businesses specialized in interpreting and translation services, for which demand is expected to grow as Japanese society becomes internationalized. We will also seek to further strengthen our transcreation (translation that emphasizes marketing and creative aspects) services to foreign companies to capture the growing global needs of localizing websites, advertisement, and other materials accompanying the globalization of businesses, and increase the number of languages that we can handle.

(5) Basic Policy on Profit Allocation and Dividends for the Current and Following Fiscal Years

1) Basic capital policy

We will maintain a focus on the effective allocation and utilization of capital and strive to enhance corporate value and strengthen competitiveness of the entire Group.

As part of our specific efforts, we are streamlining existing businesses, which is directly tied to enhanced profitability, generating new businesses, and optimizing strategic capital allocation. In addition, we will proactively promote effective utilization of funds through the optimization of working capital and sale of non-strategic assets and aim to balance shareholder returns and growth investments.

Furthermore, we have secured a fund of ¥10.0 billion to perform strategic M&A with the aim of generating value and expanding capabilities of the Group. Through the use of this fund, we will build a framework in which Group companies can generate synergies and support our customers in solving their issues with greater agility.

Moreover, in order to optimize capital allocation of the entire Group, the Company will proactively draw on expertise of external parties, including experts, and establish a Group Capital Strategy Review Committee. In this committee, we will discuss matters, including shareholder returns, growth investments, and how to maintain our business portfolio and assets, and report and propose the results of discussions to the Board of Directors as appropriate.

We will pursue a capital policy that will support our efforts to strengthen the earnings base, enhance corporate value, and ensure sustainable growth of the entire Group from medium- to long-term perspectives.

2) Dividends for the current and following fiscal years

The Company positions the long-term return of profits to shareholders as one of its important management issues, and its basic policy is to pay a stable dividend, and pay dividends according to financial results, while taking into consideration the reinforcement of our corporate structure and future business development. Under this basic policy, we plan to pay an annual dividend of ¥75 per share, which consists of a year-end dividend of ¥45 and a special dividend of ¥30, for the fiscal year under review as we believe that we currently have necessary internal reserves for smooth execution of business. Including the interim dividend of ¥45 per share, the annual dividend is expected to be ¥120 per share. The dividend payout ratio is expected to stand at 38.2%.

Based on the current forecast of the consolidated financial results and business development, among others, and pursuant to a partial revision to our dividend policy to target a dividend payout ratio of approximately 50% to further enhance shareholder returns, the annual dividend for the next fiscal year is expected to be ¥120 (the interim dividend of ¥60 and the year-end dividend of ¥60) per share. As a result, the dividend payout ratio for the next fiscal year is expected to be 50.2%.

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP in consideration of comparability of consolidated financial statements between different companies.

The Group intends to work on the adoption of the International Financial Reporting Standards (IFRS) in an appropriate manner, taking into consideration various domestic and international circumstances.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of May 31, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	14,640,894	19,145,987
Notes receivable - trade	80,935	76,465
Accounts receivable - trade	5,427,519	5,468,044
Work in process	994,114	1,126,337
Raw materials and supplies	31,232	32,727
Other	335,239	262,806
Allowance for doubtful accounts	(11,283)	(850)
Total current assets	21,498,653	26,111,519
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,385,843	2,592,285
Accumulated depreciation	(2,720,461)	(2,024,531)
Buildings and structures, net	665,381	567,753
Machinery, equipment and vehicles	1,387,256	1,382,715
Accumulated depreciation	(1,216,198)	(1,241,607)
Machinery, equipment and vehicles, net	171,057	141,108
Land	3,130,576	2,338,265
Construction in progress	375,133	375,133
Other	984,347	1,021,341
Accumulated depreciation	(793,757)	(755,009)
Other, net	190,589	266,332
Total property, plant and equipment	4,532,737	3,688,593
Intangible assets		
Goodwill	1,900,789	2,404,118
Customer relationship	660,794	550,662
Software	1,711,062	1,579,301
Software in progress	193,949	244,772
Other	309,023	269,162
Total intangible assets	4,775,619	5,048,017
Investments and other assets		
Investment securities	3,332,550	3,206,222
Retirement benefit asset	1,116,711	1,257,641
Deferred tax assets	78,457	84,665
Other	862,136	663,527
Allowance for doubtful accounts	(1,871)	(1,854)
Total investments and other assets	5,387,984	5,210,202
Total non-current assets	14,696,341	13,946,813
Total assets	36,194,994	40,058,332

(Thousand yen)

	As of May 31, 2024	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,799,507	2,049,501
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	28,884	62,562
Income taxes payable	840,264	861,401
Accrued expenses	1,984,879	2,242,177
Contract liabilities	1,384,553	1,475,387
Provision for bonuses for directors (and other officers)	44,003	49,161
Other	814,252	777,783
Total current liabilities	6,946,343	7,567,975
Non-current liabilities		
Long-term borrowings	28,188	96,328
Long-term accounts payable - other	69,377	69,377
Deferred tax liabilities	893,772	1,327,256
Retirement benefit liability	255,837	260,207
Other	—	10,010
Total non-current liabilities	1,247,174	1,763,178
Total liabilities	8,193,518	9,331,154
Net assets		
Shareholders' equity		
Share capital	2,278,271	2,278,271
Capital surplus	4,433,053	4,434,554
Retained earnings	19,248,769	22,221,084
Treasury shares	(409,546)	(403,886)
Total shareholders' equity	25,550,549	28,530,025
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,127,041	991,680
Foreign currency translation adjustment	34,466	32,632
Remeasurements of defined benefit plans	933,129	781,132
Total accumulated other comprehensive income	2,094,637	1,805,445
Non-controlling interests	356,289	391,707
Total net assets	28,001,475	30,727,178
Total liabilities and net assets	36,194,994	40,058,332

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Net sales	29,278,256	29,678,785
Cost of sales	17,059,181	17,052,564
Gross profit	12,219,074	12,626,220
Selling, general and administrative expenses		
Promotion expenses	422,706	423,729
Freight and packing costs	197,326	227,640
Provision of allowance for doubtful accounts	4,152	(9,947)
Remuneration for directors (and other officers)	271,521	282,602
Salaries and allowances	3,967,748	4,325,050
Provision for bonuses for directors (and other officers)	39,593	44,751
Retirement benefit expenses	33,675	(45,373)
Welfare expenses	788,571	851,306
Repair and maintenance expenses	109,033	158,590
Taxes and dues	251,228	258,098
Depreciation	273,245	291,447
Amortization of goodwill	209,514	209,514
Rent expenses	312,792	389,630
Other	1,106,357	1,170,355
Total selling, general and administrative expenses	7,987,467	8,577,398
Operating profit	4,231,606	4,048,821
Non-operating income		
Interest income	122	4,939
Dividend income	60,375	85,465
Rental income from real estate	2,478	2,002
Commission income	21,750	19,002
Gain on investments in investment partnerships	–	37,785
Other	20,066	45,620
Total non-operating income	104,793	194,815
Non-operating expenses		
Interest expenses	1,436	1,798
Foreign exchange losses	14,346	–
Loss on investments in investment partnerships	12,987	–
Other	87	2,376
Total non-operating expenses	28,858	4,174
Ordinary profit	4,307,541	4,239,462

(Thousand yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Extraordinary income		
Gain on sale of non-current assets	–	1,794,886
Gain on sale of investment securities	157,865	116
Total extraordinary income	157,865	1,795,002
Extraordinary losses		
Loss on retirement of non-current assets	91	9,662
Impairment losses	9,880	–
Loss on sale of investment securities	–	213
Loss on valuation of investment securities	1,853	6,800
Total extraordinary losses	11,824	16,675
Profit before income taxes	4,453,582	6,017,789
Income taxes - current	1,421,969	1,407,597
Income taxes - deferred	(17,428)	499,730
Total income taxes	1,404,540	1,907,327
Profit	3,049,041	4,110,462
Profit attributable to non-controlling interests	34,835	34,946
Profit attributable to owners of parent	3,014,205	4,075,516

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Profit	3,049,041	4,110,462
Other comprehensive income		
Valuation difference on available-for-sale securities	339,276	(134,646)
Foreign currency translation adjustment	19,231	(2,076)
Remeasurements of defined benefit plans, net of tax	510,185	(151,996)
Total other comprehensive income	868,693	(288,719)
Comprehensive income	3,917,734	3,821,742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,880,935	3,786,324
Comprehensive income attributable to non-controlling interests	36,798	35,417

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended May 31, 2024

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,278,271	4,432,688	17,029,287	(205,256)	23,534,991
Changes during period					
Dividends of surplus			(976,258)		(976,258)
Profit attributable to owners of parent			3,014,205		3,014,205
Purchase of treasury shares				(212,511)	(212,511)
Disposal of treasury shares		365		8,221	8,586
Change in scope of consolidation			181,534		181,534
Net changes in items other than shareholders' equity					
Total changes during period	—	365	2,219,481	(204,289)	2,015,557
Balance at end of period	2,278,271	4,433,053	19,248,769	(409,546)	25,550,549

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	787,851	17,111	422,943	1,227,906	319,491	25,082,389
Changes during period						
Dividends of surplus						(976,258)
Profit attributable to owners of parent						3,014,205
Purchase of treasury shares						(212,511)
Disposal of treasury shares						8,586
Change in scope of consolidation						181,534
Net changes in items other than shareholders' equity	339,189	17,355	510,185	866,730	36,798	903,528
Total changes during period	339,189	17,355	510,185	866,730	36,798	2,919,086
Balance at end of period	1,127,041	34,466	933,129	2,094,637	356,289	28,001,475

For the fiscal year ended May 31, 2025

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,278,271	4,433,053	19,248,769	(409,546)	25,550,549
Changes during period					
Dividends of surplus			(1,103,200)		(1,103,200)
Profit attributable to owners of parent			4,075,516		4,075,516
Purchase of treasury shares				(842)	(842)
Disposal of treasury shares		1,500		6,501	8,002
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					
Total changes during period	—	1,500	2,972,315	5,659	2,979,476
Balance at end of period	2,278,271	4,434,554	22,221,084	(403,886)	28,530,025

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,127,041	34,466	933,129	2,094,637	356,289	28,001,475
Changes during period						
Dividends of surplus						(1,103,200)
Profit attributable to owners of parent						4,075,516
Purchase of treasury shares						(842)
Disposal of treasury shares						8,002
Change in scope of consolidation						—
Net changes in items other than shareholders' equity	(135,360)	(1,834)	(151,996)	(289,191)	35,417	(253,773)
Total changes during period	(135,360)	(1,834)	(151,996)	(289,191)	35,417	2,725,702
Balance at end of period	991,680	32,632	781,132	1,805,445	391,707	30,727,178

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,453,582	6,017,789
Depreciation and amortization	1,041,356	1,067,933
Amortization of goodwill	209,514	209,514
Increase (decrease) in provisions	(11,048)	(5,292)
Increase (decrease) in retirement benefit liability	(202,019)	(346,549)
Interest and dividend income	(60,498)	(90,405)
Interest expenses	1,436	1,798
Loss on retirement of non-current assets	91	9,662
Gain on sale of non-current assets	—	(1,794,886)
Loss (gain) on sale of investment securities	(157,865)	96
Loss (gain) on valuation of investment securities	1,853	6,800
Decrease (increase) in trade receivables	(520,584)	69,775
Decrease (increase) in inventories	41,315	(129,315)
Increase (decrease) in trade payables	(141,506)	122,676
Increase (decrease) in accrued consumption taxes	(95,504)	(68,390)
Increase (decrease) in accrued expenses	101,633	232,807
Loss (gain) on investments in investment partnerships	12,987	(37,785)
Other, net	138,735	147,947
Subtotal	4,813,479	5,414,177
Interest and dividends received	60,498	90,405
Interest paid	(1,213)	(1,798)
Proceeds from cancellation of insurance funds	—	213,855
Income taxes paid	(1,517,269)	(1,350,016)
Net cash provided by (used in) operating activities	3,355,495	4,366,622
Cash flows from investing activities		
Purchase of property, plant and equipment	(552,009)	(308,059)
Purchase of intangible assets	(499,677)	(648,690)
Proceeds from sale of property, plant and equipment	—	2,742,032
Purchase of investment securities	(27,109)	(48,643)
Proceeds from sale and redemption of investment securities	223,018	6,425
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(508,731)
Payments for investment in partnerships	(35,000)	—
Proceeds from distributions from investment partnerships	56,121	23,978
Other, net	2,135	13,288
Net cash provided by (used in) investing activities	(832,521)	1,271,601
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50,000)	—
Repayments of long-term borrowings	(134,884)	(28,884)
Dividends paid	(973,500)	(1,100,033)
Purchase of treasury shares	(212,789)	(842)
Other, net	—	2,578
Net cash provided by (used in) financing activities	(1,371,174)	(1,127,181)
Effect of exchange rate change on cash and cash equivalents	8,693	(5,948)
Net increase (decrease) in cash and cash equivalents	1,160,493	4,505,093
Cash and cash equivalents at beginning of period	13,034,988	14,536,394
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	340,911	—
Cash and cash equivalents at end of period	14,536,394	19,041,487

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Significant accounting policies for preparation of consolidated financial statements)

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries:

12

Names of major consolidated subsidiaries

TAKARA PRINTING CO., LTD.

Task Co, Ltd.

Three C Consulting Co., Ltd.

TOIN Corporation

Simul International, Inc.

As a result of the share acquisition on May 23, 2025, the Company has made J. Trust Co., Ltd. a consolidated subsidiary from the fiscal year under review. The difference between the closing date of J. Trust Co., Ltd., which is February 28, and the consolidated closing date does not exceed three months, and the deemed acquisition date is February 28, 2025. Therefore, only the balance sheets have been consolidated for the fiscal year under review.

(2) Names of major unconsolidated subsidiaries

TRANSLASIA HOLDINGS PTE. LTD.

(Reason for excluding from the scope of consolidation)

The unconsolidated subsidiaries are excluded from the scope of consolidation because they are small-scale companies, and their total assets, net sales, profit or loss (corresponding to equity held), retained earnings (corresponding to equity held), etc. do not have a significant effect on the consolidated financial statements.

2. Disclosure about application of equity method

(1) Number of unconsolidated subsidiaries and associates to which the equity method is applied

There are no unconsolidated subsidiaries and associates to which the equity method is applied.

(2) Names of major unconsolidated subsidiaries and associates to which the equity method is not applied

TRANSLASIA HOLDINGS PTE. LTD.

(Reason for not applying the equity method)

The companies to which the equity method is not applied are excluded from the scope of the application of the equity method because they have a slight effect on profit or loss (corresponding to equity held), retained earnings (corresponding to equity held), etc., and they, as a whole, do not have a significant effect.

3. Disclosure about the fiscal year of consolidated subsidiaries

Among the consolidated subsidiaries, the closing date of TOIN Corporation and its subsidiaries, as well as that of Simul International, Inc. and its subsidiaries is March 31, and the closing date of J. Trust Co., Ltd. is February 28. Consolidated financial statements are prepared using financial statements as of the said closing dates, and significant transactions that occurred between the said closing dates and the consolidated closing date are subject to the adjustments necessary for consolidation. The last day of the fiscal year of other consolidated subsidiaries falls on the same day as the consolidated closing date.

4. Disclosure of accounting policies

(1) Valuation standards and methods for important assets

1) Securities

Available-for-sale securities

Securities other than shares, etc. for which market prices are not available

Stated at fair value

(the amount of valuation difference is directly included in net assets, and the cost of sold securities is calculated based on the moving-average method)

Shares, etc. for which market prices are not available

Stated at cost by the moving-average method

The investments in limited investment partnerships, which are deemed to be “securities” pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act, are stated at the net amount of the equity interests held in the partnerships based on the latest financial statements available as of the closing dates prescribed in respective limited partnership agreements for investment.

2) Inventories

Inventories held for the purpose of ordinary sale

Stated at cost (by the inventory write-down method based on decreased profitability)

(i) Raw materials: Mainly by the moving-average method

(ii) Work in process: Specific identification method

(iii) Supplies: Mainly by the last cost method

(2) Depreciation and amortization methods for significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Declining balance method according to the standards identical to the method prescribed in the Corporation Tax Act; however, buildings (excluding building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016 are depreciated under the straight-line method according to the standards identical to the method prescribed in the Corporation Tax Act.

Useful lives

Buildings and structures	15 to 50 years
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Machinery, equipment and vehicles	10 years
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2) Intangible assets (excluding leased assets)

(i) Software (for internal use): Straight-line method based on its term available for use (5 years)

(ii) Customer relationship: 10 years

(iii) Other: Straight-line method according to the standards identical to the method prescribed in the Corporation Tax Act
Trademark rights, etc. identified from business combination are subject to the straight-line method based on their effective period (11 to 13 years).

3) Leased assets

Leased assets concerning non-transfer ownership finance lease transactions

Leased assets are depreciated over lease terms by the straight-line method with no residual value.

(3) Accounting standards for significant allowances/provisions

1) Allowance for doubtful accounts

In order to provide for possible credit losses, the Company recognizes an estimated uncollectible amount for general receivables based on historical write-off ratio, and an estimated uncollectible amount for doubtful accounts and other certain receivables based on their individual collectability.

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

In order to provide for the payment of bonuses to directors and other officers, the Company recognizes

an estimated amount of bonuses payable to directors and other officers for the fiscal year under review.

(4) Accounting methods for retirement benefits

1) Method of allocating projected retirement benefits to periods of service

In calculating retirement benefit obligation, the benefit formula basis is used for allocating projected retirement benefits up to the end of the fiscal year under review.

2) Amortization of actuarial gains (losses)

Actuarial gains (losses) are amortized evenly using the straight-line method over the determined number of years (five years) that is not longer than the average remaining service years of employees at the time of occurrence in each fiscal year, beginning from the fiscal year following the time of the occurrence.

3) Adoption of simplified method in small companies

For the purpose of calculating retirement benefit liability and retirement benefit expenses, some of the consolidated subsidiaries adopt a simplified method in which the amount of retirement benefits payable at fiscal year-end due to voluntary resignation is recognized as retirement benefit obligation.

(5) Accounting standards for significant revenues and expenses

Key performance obligations of mainstay businesses in relation to revenues generated from contracts with customers of the Company and its consolidated subsidiaries, and the usual point of time when such obligations are satisfied (the point of time when revenue is recognized) are as follows.

1) Disclosure-related business

The products and services offered by the Disclosure-related business include the production and printing of disclosure- and IR-related documents, such as statutory disclosure documentation that is required by the Financial Instruments and Exchange Act and the Companies Act (annual securities reports, shareholders meeting convocation notices, etc.) and voluntary disclosure documentation that is prepared for shareholders and investors as part of IR activities (shareholder newsletters, business reports, etc.), the provision of disclosure documentation support system and consulting services, mainly targeting customers in Japan.

For some products and services we offer, such as shareholder benefits, the role of the Company and its consolidated subsidiaries is deemed to be acting as an agent. In such cases, the revenue is recognized by subtracting the amount of payment to third parties from the total amount of consideration we receive from our customers.

• Disclosure & IR-related electronic data deliverables

With regard to electronic data that are delivered to a customer, at the point the customer receives and accepts the data, our performance obligation is satisfied and control over the product is transferred. Thus, we recognize revenue from the deliverables at such point. Payments for transactions are mostly made within two months from the delivery of products (there are also cases in which we receive advances in accordance with the relevant contract). Therefore, we do not make adjustments to significant financing components for receivables arising from the contract with the customer concerned.

• Disclosure & IR-related printed documents

The control over printed documents is transferred when the documents are delivered to a customer, thereby our performance obligation is satisfied. Thus, we recognize revenue from the products at the point of delivery. However, as lead time from shipment to delivery for sales in Japan is not extraordinary, we recognize the revenues at the point when the shipment is completed. Payments for transactions are mostly made within two months from the delivery of products (there are also cases in which we receive advances in accordance with the relevant contract). Therefore, we do not make adjustments to significant financing components for receivables arising from the contract with the customer concerned.

- Disclosure documentation support system, etc.

Disclosure documentation support and online services we offer are provided to customers so that they can utilize these services over a contract period. As such, we consider that, in these services, our performance obligations are satisfied over time.

In addition, as we believe that customers can utilize the said services over a contract period and thereby enjoy their benefits evenly over the period, we recognize revenue from these services evenly over the contract period.

Payments for transactions are mostly made within two months from the beginning of their contract period. Therefore, we do not make adjustments to significant financing components for receivables arising from the contract with the customer concerned.

- Consulting services

Consulting services include the support for preparation of application documents and advisory services mainly for customers that aim to list their shares on a stock exchange. In the consulting services business, as we dispatch staff with professional knowledge to customers to provide consulting over the contract period, we have determined that customers begin enjoying the benefits from the start of the service provision. As such, in these services, we consider that our performance obligations are satisfied over time, and thus, recognize revenue from the services in line with the time spent on the provision of the services.

Payments for transactions are made in phases in accordance with contract terms but we generally receive all the payments within two months from the end of the contract period (there are also cases in which we receive advances depending on the progress of work). Therefore, we do not make adjustments to significant financing components for receivables arising from the contract with the customer concerned.

2) Interpreting & Translation business

The Interpreting & Translation business offers services including interpreting services mainly at international conferences, events, and symposiums; general translation services as well as localization and transcreation for European and North American companies operating in Japan that require translation highly attractive to a Japanese audience.

- Interpreting services

The performance obligation of the interpreting services is the provision of interpreting services to customers. Therefore, the performance obligation is satisfied at the point the services are provided to a customer, and thus, we recognize revenue from the services at that point. With regard to the consideration for transactions, we recognize revenue at the amount of payment to be made in exchange for the products or services we deliver. We do not make adjustments to significant financing components for receivables arising from the contract with the customer concerned.

- Translation services

The performance obligation of translation services is the provision of translated deliverables to customers. At the point a customer receives or accepts the deliverables, our performance obligation is satisfied and control over the products and services concerned is transferred. Thus, we recognize revenue from the services at that point.

With regard to the consideration for transactions, we recognize revenue from the transactions at the amount of payment to be made in exchange for the products or services we deliver. We do not make adjustments to significant financing components for receivables arising from the contract with the customer concerned.

(6) Standards for translating significant foreign currency-denominated assets or liabilities into yen

Foreign currency-denominated monetary claims and obligations are translated into the Japanese yen, using the spot exchange rates on the consolidated closing date, and the resulting translation gains or losses are recognized as income or expenses. The assets, liabilities, revenues, and expenses of overseas subsidiaries, etc. are translated into the Japanese yen using the spot exchange rates on respective closing dates. Translation adjustments are included in foreign currency translation adjustment and non-controlling interests under net assets.

(7) Method and period for amortization of goodwill

Goodwill is amortized in equal installments over the period in which the economic benefits are expected to be realized (5 to 14 years).

(8) Scope of funds in the consolidated statements of cash flows

Funds include cash on hand; demand deposits at banks; and short-term, highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value with a maturity period of three months or less from the date of acquisition.

(9) Other significant matters for preparation of consolidated financial statements

Not applicable

(Changes in accounting policies)

(Adoption of the Accounting Standard for Current Income Taxes, etc.)

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

As for the revision related to the classification for recognizing income taxes (taxation of other comprehensive income), the Company has followed the transitional treatment stipulated in the proviso of Article 20-3 of the Revised Accounting Standard 2022 and the transitional treatment stipulated in the proviso of Article 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance 2022”). This change in the accounting policies had no impact on the consolidated financial statements.

In addition, as for the revision related to the change in the treatment in the consolidated financial statements of deferral of gains and losses on sale of shares of subsidiaries and others between consolidated companies for tax purposes, the Company has adopted the Revised Guidance 2022 from the beginning of the fiscal year under review. This change in the accounting policies has been adopted retrospectively, and the consolidated financial statements for the previous fiscal year are those after the retrospective adoption. This change in the accounting policies had no impact on the consolidated financial statements for the previous fiscal year.

(Business combination, etc.)

(Business combination through acquisition)

(1) Overview of the business combination

1) Name and a description of business of the acquiree

Name of the acquiree: J. Trust Co., Ltd.

Description of business: Financial instruments disclosure support business

2) Primary reasons for conducting the business combination

J. Trust Co., Ltd. has gained the trust of customers over many years by providing highly specialized and high-quality services specializing in domestic and foreign investment trusts, foreign bonds, etc.

By combining the expertise and knowledge of the Group with that of J. Trust Co., Ltd. to generate synergy, we will create new services in this rapidly changing field of financial instruments disclosure and develop even more new customer bases. We expect that this will lead to greater business scale and cost improvements due to shared production processes.

3) Date of the business combination

May 23, 2025

4) Legal form of the business combination

Acquisition of shares in exchange for cash

5) Name of the company after the business combination

There was no change in the name of the company.

6) Ratio of voting rights acquired

100%

7) Primary basis for determining the acquirer

The fact that the Company has acquired the shares in exchange for cash

(2) Period of financial results of the acquiree included in the consolidated financial statements

The difference between the closing date of the acquiree, which is February 28, and the consolidated closing date does not exceed three months, and the deemed acquisition date is February 28, 2025. Therefore, only the balance sheets have been consolidated for the fiscal year under review, and financial results of the acquiree are not included in the consolidated financial results.

(3) Acquisition cost of the acquiree and breakdown thereof by type of consideration

Consideration for the acquisition:	Cash	¥900,589 thousand
Acquisition cost:		¥900,589 thousand

(4) Details and amount of major acquisition-related expenses

Advisory costs, etc.: ¥1,348 thousand

- (5) Amount of goodwill to be recognized, reason for recognition, method of amortization, and period thereof
- 1) Amount of the goodwill to be recognized

¥712,842 thousand

The above amount has been calculated on a provisional basis, as the allocation of the acquisition cost has not been completed. This is because there was only a brief period of time between the date of business combination and the consolidated closing date, and the identification of identifiable assets and liabilities and estimation of their fair values as of the date of the business combination are yet to be finalized and therefore the allocation of acquisition cost has not completed.

- 2) Reason for recognition of the goodwill

Primarily the excess earning power expected from future business development

- 3) Method of amortization and period thereof

Straight-line method over 5 years

- (6) Amount of the assets acquired and liabilities assumed on the date of the business combination and breakdown thereof by major item

Current assets	¥507,716 thousand
Non-current assets	¥21,116 thousand
Total assets	¥528,833 thousand
Current liabilities	¥233,905 thousand
Non-current liabilities	¥107,181 thousand
Total liabilities	¥341,086 thousand

- (7) Estimated amount of the impact on the consolidated statements of income for the fiscal year under review and the method used to calculate it on the assumption that the business combination had been completed on the first day of the fiscal year

Net sales	¥685,169 thousand
Operating profit	¥(136,037) thousand
Ordinary profit	¥(95,262) thousand
Profit before income taxes	¥(95,634) thousand
Profit attributable to owners of parent	¥(113,316) thousand
Earnings per share	¥(8.73)

- (Method used to calculate the estimated amount)

The difference between net sales and profit (loss) data calculated on the assumption that the business combination had been completed on the first day of the fiscal year and net sales and profit (loss) data on the consolidated statements of income of the acquirer is stated as the estimated amount of the impact.

This note has not been audited and certified.

(Segment information, etc.)

[Segment information]

1. Description of reportable segments

(1) How to determine reportable segments

Reportable segments of the Group are defined as the components of the Group for which separate financial information is available and which are subject to regular review by the Board of Directors to determine the allocation of management resources and to evaluate their operating performance.

The Group, based on the Group-wide management strategies designed by the Company as a holding company, formulates strategies for products and services offered by each of the operating companies, which are the Company's subsidiaries, to operate its business activities.

Therefore, the Group consists of the segments classified by type of products and services offered by each operating company, namely the following two reportable segments: the "Disclosure-related business" and the "Interpreting & Translation business."

(2) Types of products and services under each reportable segment

The Disclosure-related business is engaged in the production and printing of primarily disclosure and IR-related materials and the provision of related services, consisting mainly of TAKARA PRINTING CO., LTD., Task Co., Ltd. and Three C Consulting Co., Ltd.

The Interpreting & Translation business provides localization and transcreation (translation that emphasizes marketing and creative aspects) services in addition to interpreting and translation services, consisting mainly of Simul International, Inc. and TOIN Corporation.

2. Calculation method for net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is largely the same as what is stated in "Significant accounting policies for preparation of consolidated financial statements."

The figures for reportable segment profit are based on operating profit.

Transactions between reportable segments constitute transactions between the consolidated companies and are based on prevailing market prices.

3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment, and breakdown of revenue

For the fiscal year ended May 31, 2024

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Disclosure- related business	Interpreting & Translation business	Total		
Net sales					
Products relating to Financial Instruments and Exchange Act	7,832,012	—	7,832,012	—	7,832,012
Products relating to Companies Act	6,600,558	—	6,600,558	—	6,600,558
Products relating to IR	4,733,659	—	4,733,659	—	4,733,659
Other products	1,905,431	—	1,905,431	—	1,905,431
Interpreting & Translation business	—	8,206,593	8,206,593	—	8,206,593
Revenue from contracts with customers	21,071,662	8,206,593	29,278,256	—	29,278,256
Net sales to external customers	21,071,662	8,206,593	29,278,256	—	29,278,256
Transactions with other segments	1,190	1,300,515	1,301,705	(1,301,705)	—
Total	21,072,852	9,507,108	30,579,961	(1,301,705)	29,278,256
Segment profit	3,368,951	528,416	3,897,367	334,239	4,231,606
Segment assets	19,385,446	7,212,527	26,597,973	9,597,020	36,194,994
Other items					
Depreciation and amortization	776,521	200,452	976,974	64,381	1,041,356
Amortization of goodwill	—	209,514	209,514	—	209,514
Increase in property, plant and equipment and intangible assets (Note 3)	548,789	63,614	612,403	420,361	1,032,765

Notes: 1. The figures are adjusted as follows.

- (1) ¥334,239 thousand of the adjustment amount for segment profit includes ¥(1,261,788) thousand of the elimination of internal transactions between the holding company (company reporting consolidated financial statements) and segments, and ¥1,596,027 thousand of profit (loss) pertaining to the holding company that is not allocated to each reportable segment.
 - (2) ¥9,597,020 thousand of the adjustment amount for segment assets includes mainly cash and deposits and investment securities of the holding company (company reporting consolidated financial statements) that are not attributed to reportable segments.
 - (3) ¥64,381 thousand of the adjustment amount for depreciation is mainly associated with corporate assets.
 - (4) ¥420,361 thousand of the adjustment amount for increase in property, plant and equipment and intangible assets includes mainly the amount of capital investment in corporate assets.
2. Segment profit is adjusted with operating profit in the consolidated statements of income.
 3. Increase in property, plant and equipment and intangible assets does not include an increase associated with new consolidation.

For the fiscal year ended May 31, 2025

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Disclosure- related business	Interpreting & Translation business	Total		
Net sales					
Products relating to Financial Instruments and Exchange Act	8,727,610	—	8,727,610	—	8,727,610
Products relating to Companies Act	6,505,273	—	6,505,273	—	6,505,273
Products relating to IR	4,907,338	—	4,907,338	—	4,907,338
Other products	1,621,154	—	1,621,154	—	1,621,154
Interpreting & Translation business	—	7,917,408	7,917,408	—	7,917,408
Revenue from contracts with customers	21,761,376	7,917,408	29,678,785	—	29,678,785
Net sales to external customers	21,761,376	7,917,408	29,678,785	—	29,678,785
Transactions with other segments	17,878	1,243,590	1,261,468	(1,261,468)	—
Total	21,779,255	9,160,998	30,940,253	(1,261,468)	29,678,785
Segment profit	3,361,849	388,429	3,750,279	298,542	4,048,821
Segment assets	21,877,674	6,832,332	28,710,007	11,348,325	40,058,332
Other items					
Depreciation and amortization	805,466	203,300	1,008,766	59,167	1,067,933
Amortization of goodwill	—	209,514	209,514	—	209,514
Increase in property, plant and equipment and intangible assets (Note 3)	915,823	44,493	960,316	10,051	970,368

Notes: 1. The figures are adjusted as follows.

- (1) ¥298,542 thousand of the adjustment amount for segment profit includes ¥(1,332,885) thousand of the elimination of internal transactions between the holding company (company reporting consolidated financial statements) and segments, and ¥1,631,428 thousand of profit (loss) pertaining to the holding company that is not allocated to each reportable segment.
 - (2) ¥11,348,325 thousand of the adjustment amount for segment assets includes mainly cash and deposits and investment securities of the holding company (company reporting consolidated financial statements) that are not attributed to reportable segments.
 - (3) ¥59,167 thousand of the adjustment amount for depreciation is mainly associated with corporate assets.
 - (4) ¥10,051 thousand of the adjustment amount for increase in property, plant and equipment and intangible assets includes mainly the amount of capital investment in corporate assets.
2. Segment profit is adjusted with operating profit in the consolidated statements of income.
 3. Increase in property, plant and equipment and intangible assets does not include an increase associated with new consolidation.

[Related information]

For the fiscal year ended May 31, 2024

1. Information by product and service

The description is omitted as similar information is disclosed in segment information.

2. Information by geographic segment

(1) Net sales

The description is omitted, as net sales to external customers in Japan exceeds 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

The description is omitted, as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

There is no description, as there is no external customer that accounts for 10% or more of net sales on the consolidated statements of income.

For the fiscal year ended May 31, 2025

1. Information by product and service

The description is omitted as similar information is disclosed in segment information.

2. Information by geographic segment

(1) Net sales

The description is omitted, as net sales to external customers in Japan exceeds 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

The description is omitted, as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

There is no description, as there is no external customer that accounts for 10% or more of net sales on the consolidated statements of income.

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

For the fiscal year ended May 31, 2024

The description is omitted as the information is not significant.

For the fiscal year ended May 31, 2025

Not applicable

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

For the fiscal year ended May 31, 2024

(Thousand yen)

	Reportable segment			Corporate / Elimination	Total
	Disclosure- related business	Interpreting & Translation business	Total		
Amortization during period	–	209,514	209,514	–	209,514
Balance at end of period	–	1,900,789	1,900,789	–	1,900,789

For the fiscal year ended May 31, 2025

(Thousand yen)

	Reportable segment			Corporate / Elimination	Total
	Disclosure- related business	Interpreting & Translation business	Total		
Amortization during period	–	209,514	209,514	–	209,514
Balance at end of period	712,842	1,691,275	2,404,118	–	2,404,118

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended May 31, 2024

Not applicable

For the fiscal year ended May 31, 2025

Not applicable

(Per share information)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Net assets per share	¥2,130.24	¥2,337.09
Basic earnings per share	¥231.76	¥314.00

Notes: 1. “Diluted earnings per share” is not shown as there were no potential shares.

2. The basis for calculation of basic earnings per share is as follows.

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Profit attributable to owners of parent (Thousand yen)	3,014,205	4,075,516
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousand yen)	3,014,205	4,075,516
Average number of common shares during period (Shares)	13,005,843	12,979,366

3. The basis for calculation of net assets per share is as follows.

	As of May 31, 2024	As of May 31, 2025
Total net assets (Thousand yen)	28,001,475	30,727,178
Amount deducted from total net assets (Thousand yen)	356,289	391,707
[Non-controlling interests included in the above (Thousand yen)]	[356,289]	[391,707]
Amount of net assets relating to common shares at end of period (Thousand yen)	27,645,186	30,335,470
Number of common shares used to calculate net assets per share at end of period (Shares)	12,977,508	12,980,011

(Significant subsequent events)

Not applicable