



Introduction to Translating Japanese Financial Documents

Marceline Therrien

www.thinkjapanese.com

@thinkjapanese

Introduction to Translating Japanese Financial Documents

- 決算短信: What is it?
- Why translate?
- Basic structure of financial statements

決算短信:What is it?

- Shows how a company is doing financially
 - How much money made over a certain period of time
 - How much money a company has at the end of that period of time
 - General discussion of business plan
- Must be filed by listed Japanese companies
- Standard format set by Japanese authorities (stock exchanges)
- Similar to a US “10Q”
 - Japanese format slightly different, but companies throughout the world produce similar documents

決算短信: Why translate?

- Investors
 - Individuals
 - Private equity
 - Fund managers
- Analysts
 - Equity
 - Credit
 - M&A
- Journalists
- SEC filings

決算短信: Important considerations

Assuming that translation is for publication...

- Terminology consistency with other English language documents produced by the company
- Terminology consistency from quarter to quarter and year to year
- Terminology consistency within document
- Encourage clients to improve quality of translation by beginning process well in advance (i.e. prior to delivery of Japanese version)

決算短信: Standard Format (1/3)

決算短信	<i>Kessan Tanshin</i>
I. サマリー情報	I. Summary Data
1. 連結業績	1. Consolidated Business Results
a. 連結経営成績	a. Consolidated Results of Operations
b. 連結財政状態	b. Consolidated Financial Condition
c. 連結キャッシュ・フローの状況	c. Consolidated Cash Flow
2. 配当の状況	2. Dividends
3. 連結業績予想	3. Consolidated Earnings Forecast
4. その他	4. Other Information
a. 期中における重要な子会社の異動(連結範囲の変更を伴う特定子会社の異動)	a. Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting from changes in the scope of consolidation)
b. 連結財務諸表作成に係る会計処理の原則・手続、表示方法等の変更	b. Changes in accounting principles or procedures used in preparing consolidated-basis financial statements, and/or changes in methods of presentation
c. 発行済株式数(普通株式)	c. Number of shares outstanding (common shares)
(参考)個別業績の概要	For Reference: Unconsolidated Business Results
1. 個別業績	1. Unconsolidated Business Results
a. 個別経営成績	a. Unconsolidated Results of Operations
b. 個別財政状態	b. Unconsolidated Financial Condition
2. 個別業績予想	2. Unconsolidated Earnings Forecast
※ 業績予想の適切な利用に関する説明、その他特記事項	* Explanation about the proper use of earnings forecasts and other special remarks

決算短信: Standard Format 2/3

II. 定性的情報・財務諸表等	II. Qualitative information & financial statements
1. 経営成績	1. Results of Operations (Management Discussion & Analysis)
a. 経営成績に関する分析	a. Analysis of Results of Operations
b. 財政状態に関する分析	b. Analysis of Financial Condition
c. 利益配分に関する基本方針及び当期・次期の配当	c. Basic policy concerning the distribution of profits, and dividend distributions for the year under review and the subsequent year
d. 事業等のリス	d. Business risks
e. 継続企業の前提に関する重要事象等	e. Material Events Related to Going Concern Assumptions
2. 企業集団の状況	2. Organization of the Group
3. 経営方針	3. Business Philosophy
a. 会社の経営の基本方針	a. Basic Business Philosophy
b. 目標とする経営指標	b. Key Performance Indicators
c. 中長期的な会社の経営戦略	c. Longer term business strategy
d. 会社の対処すべき課題	d. Key Issues Requiring Attention
e. その他、会社の経営上重要な事項	e. Other Material Matters

決算短信: Standard Format 3/3

4. 連結財務諸表	4. Consolidated Financial Statements
a. 連結貸借対照表	a. Consolidated Statement of Financial Condition
b. 連結損益計算書	b. Consolidated Income Statement
c. 連結株主資本等変動計算書	c. Consolidated Statement of Changes in Shareholders' Equity
d. 連結キャッシュ・フロー計算書	d. Consolidated Statement of Cash Flows
e. 継続企業の前提に関する注記	e. Notes Related to Going Concern Assumptions
f. 連結財務諸表作成のための基本となる重要な事項	f. Basis of Presentation of the Consolidated Financial Statements
g. 連結財務諸表作成のための基本となる重要な事項の変更	g. Changes in the Basis of Presentation of the Consolidated Financial Statements
h. 連結財務諸表に関する注記事項	h. Notes to the Consolidated Financial Statements
5. 個別財務諸表	5. Unconsolidated Financial Statements
a. 貸借対照表	a. Statement of Financial Condition
b. 損益計算書	b. Income Statement
c. 株主資本等変動計算書	c. Statement of Changes in Shareholders' Equity
d. 継続企業の前提に関する注記	d. Notes Related to Going Concern Assumptions
e. 重要な会計方針	e. Important Accounting Policies
f. 重要な会計方針の変更	f. Changes in Important Accounting Policies
g. 個別財務諸表に関する注記事項	g. Notes to the Unconsolidated Financial Statements
6. その他	6. Other information
a. 役員の異動	a. Changes in officers
b. その他	b. Other information

Three basic financial statements

- 貸借対照表 (balance sheet): snapshot of a company's financial picture at a specific moment
- 損益計算書 (income statement): shows how much money a company has made during a specific period of time
- キャッシュ・フロー計算書 (cash flow statement): shows how much cash a company has going in and coming out

Basic accounting concepts

- Cash versus accrual
- $\text{Assets} = \text{Liabilities} + \text{Equity}$
- Depreciation & amortization
- Provisions, allowances & reserves

決算短信: Sample

- Dai Nippon Printing

Resources

- Edinet – Japan (info.edinet-fsa.go.jp)
- EDGAR – US (www.sec.gov/edgar.shtml)
- Mizuho translation tools
(<http://www.mizuho-sc.com/english/ebond/translation.html>)
- XBRL taxonomy
(https://www.xbrl.or.jp/modules/pico7/index.php?content_id=12)

Sony Corporation

- Edinet

- EDGAR

項目	2024 年度 2024年3月31日現在 千円	2023 年度 2023年3月31日現在 千円	2022 年度 2022年3月31日現在 千円
資産合計	14,780,000	15,770,000	14,960,000
負債合計	2,500,000	2,170,000	2,500,000
総資産合計	12,280,000	13,600,000	12,460,000
自己株式	15,110	8,410	6,310
自己株式を除く総資産	12,265,000	13,591,590	12,453,690
純資産合計	10,860,000	12,400,000	11,960,000
純利益	1,230,000	2,290,000	1,480,000
基本株主1株当たり利益	16,900	30,400	19,800
基本株主1株当たり純利益	16,900	30,400	19,800
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Item	2024 Fiscal Year ended March 31, 2024	2023 Fiscal Year ended March 31, 2023	2022 Fiscal Year ended March 31, 2022
Total assets	14,780,000	15,770,000	14,960,000
Total liabilities	2,500,000	2,170,000	2,500,000
Total equity	12,280,000	13,600,000	12,460,000
Net income	1,230,000	2,290,000	1,480,000
Basic earnings per share	16,900	30,400	19,800
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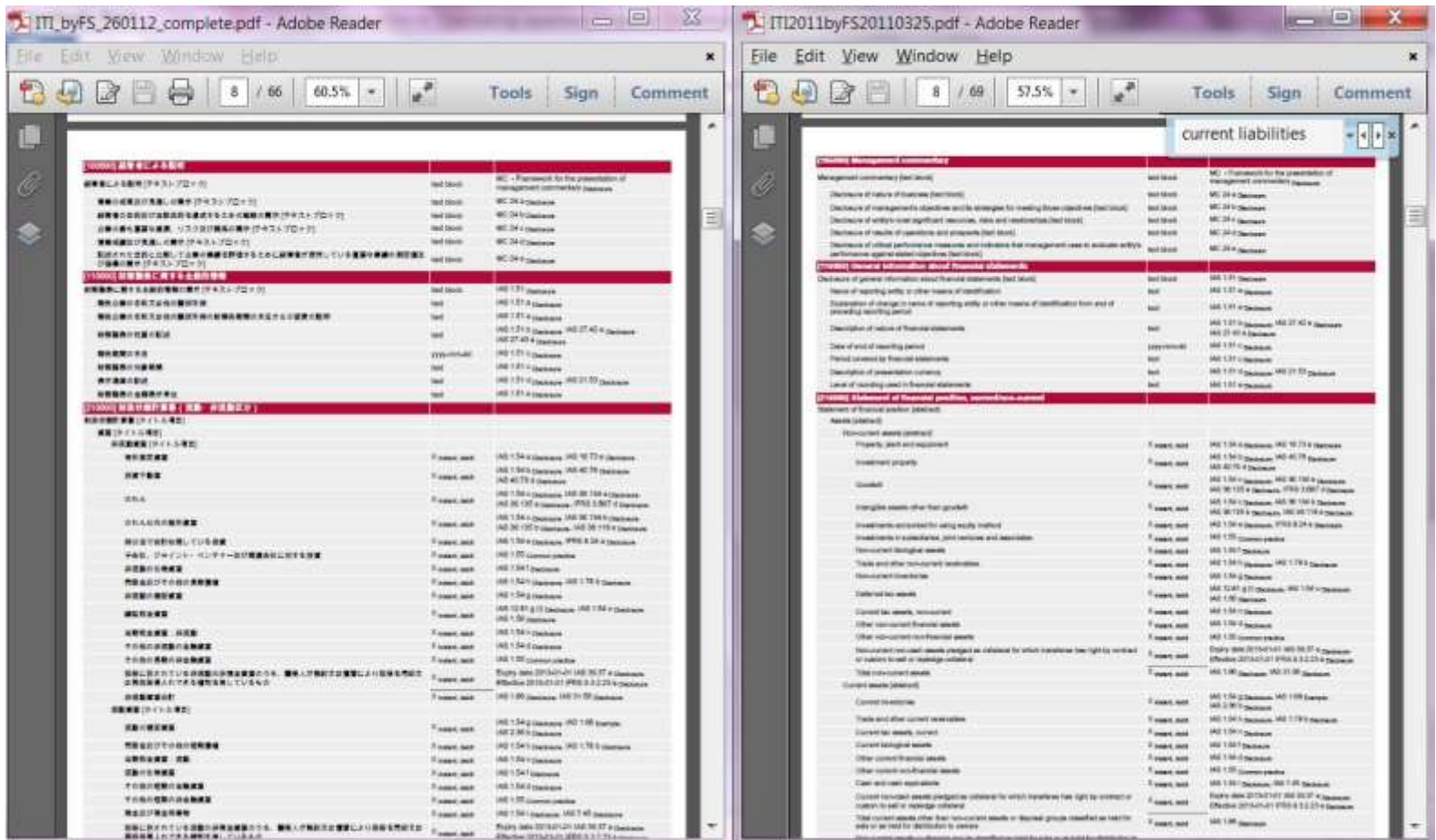
Resources

- Community college/night school accounting classes
- Accounting 101 college textbooks
- “Accounting for Dummies” type books

Resources

- Accounting Standards Board of Japan (www.asb.or.jp)
- Japanese Institute of Certified Public Accountants (www.hp.jicpa.or.jp)
- Tokyo Stock Exchange (www.tse.or.jp)
- International Accounting Standards Board (www.ifrs.org)
- Differences between Japanese GAAP and US GAAP (http://www.smfg.co.jp/english/investor/library/annual/h1603annu_pdf/h1603_e_32.pdf)
- IFRS taxonomies (<http://www.ifrs.org/XBRL/Resources/IFRS-Taxonomy-Illustrated-2011/Pages/IFRS-Taxonomy-Illustrated-2011.aspx>)

IFRS (international financial reporting standards) taxonomies



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- Q&A