

**Summary of Consolidated Financial Results**  
**for the First Quarter of Fiscal Year Ending March 31, 2016**  
**(Three Months Ended June 30, 2015)**

[Japanese GAAP]

Company name: Shobunsha Publications, Inc.	Listing: Tokyo Stock Exchange, First Section
Stock code: 9475	URL: <a href="http://www.mapple.co.jp/">http://www.mapple.co.jp/</a>
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Scheduled date of filing of Quarterly Report:	August 13, 2015
Scheduled date of payment of dividend:	-
Preparation of supplementary materials for quarterly financial results:	None
Holding of quarterly financial results meeting:	None

*(All amounts are rounded down to the nearest million yen)*

**1. Consolidated Financial Results for the First Quarter Ended June 30, 2015 (April 1, 2015 – June 30, 2015)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2015	3,318	4.0	(173)	-	(159)	-	(178)	-
Three months ended Jun. 30, 2014	3,191	9.1	72	-	89	-	66	-

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2015:(130) (- %)

Three months ended Jun. 30, 2014: 165 (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2015	(10.74)	-
Three months ended Jun. 30, 2014	4.02	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2015	27,873	21,521	77.2
As of Mar. 31, 2015	28,328	21,978	77.6

Reference: Shareholders' equity (million yen) As of Jun. 30, 2015: 21,515 As of Mar. 31, 2015: 21,978

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	0.00	-	20.00	20.00
Fiscal year ending Mar. 31, 2016	-	-	-	-	-
Fiscal year ending Mar. 31, 2016 (forecasts)	-	0.00	-	20.00	20.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	6,530	4.1	130	-	150	395.7	130	-	7.82
Full year	13,890	12.1	500	-	540	-	500	-	30.07

Note: Revisions to the most recently announced consolidated earnings forecasts: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements” on page 3 of the attachments for further information.

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2015:	17,307,750 shares	As of Mar. 31, 2015:	17,307,750 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2015:	679,814 shares	As of Mar. 31, 2015:	679,714 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2015:	16,627,987 shares	Three months ended Jun. 30, 2014:	16,628,336 shares
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\* Information regarding the implementation of quarterly review procedures

The current quarterly summary report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly financial statements have not been completed.

\* Explanation of appropriate use of operating forecasts, and other special items

Forward-looking statements in these materials are based on assumption judged to be valid and information available to the Company’s management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of factors. Please refer to “Explanation of Consolidated Forecasts and Other Forward-looking Statements” on page 3 of the attachments for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter (April 1 to June 30, 2015) of the current fiscal year, the Japanese economy recovered slowly along with higher corporate earnings and signs of a rebound in consumer spending due in part to economic stimulus measures of the Japanese government.

The Shobunsha Group's e-business sales were 900 million yen, down 269 million yen from one year earlier, because of a delay in the launch of new products by a major business partner associated with PND (portable navigation device) and the effects of market saturation in this category. Retail publishing sales increased 359 million yen to 2,086 million yen. There was a big drop in returned products because the recognition of returns of revised edition was moved up to the end of the previous fiscal year. Updated editions of the *Tabimaru* series of Japan guidebooks also contributed to the sales growth. Sales from special-order products, advertising and other activities were slightly higher than one year earlier. Overall, consolidated sales increased 126 million yen, or 4.0%, to 3,318 million yen.

Although sales were higher, there were operating and ordinary losses in the first quarter. Database amortization expenses were lower because of the recognition of impairment loss on database in the previous fiscal year. But there were increases in expenses associated with accounting for retirement benefits and the provision for sales returns. Moreover, there was a decline in e-business sales, which have a high profit margin. As a result, the cost of sales increased. Furthermore, selling, general and administrative expenses increased mainly because of higher up-front investments for the new "inbound business," which serves foreign tourists in Japan, and an increase in the allowance for doubtful accounts. The first quarter operating loss was 173 million yen compared with operating income of 72 million yen one year earlier and the ordinary loss was 159 million yen compared with ordinary income of 89 million yen one year earlier. The loss attributable to owners of parent was 178 million yen, down from a profit of 66 million yen one year earlier.

### (2) Explanation of Financial Position

Total assets decreased 455 million yen, or 1.6%, from the end of the previous fiscal year to 27,873 million yen at the end of the first quarter of the current fiscal year. This was mainly due to decreases in cash and deposits of 833 million yen, merchandise and finished goods of 80 million yen, and work in process of 52 million yen. On the other hand, there were increases in notes and accounts receivable-trade of 132 million yen, software of 76 million yen, and investment securities of 257 million yen. Total liabilities increased 1 million yen, or 0.0%, to 6,351 million yen. This was mainly due to increases in provision for sales returns of 209 million yen and other under current liabilities of 362 million yen while there were decreases in notes and accounts payable-trade of 365 million yen and provision for bonuses of 184 million yen. Total net assets decreased 456 million yen, or 2.1%, to 21,521 million yen as retained earnings decreased 511 million yen due to the booking of a loss attributable to owners of parent and the dividends of surplus.

As a result, the equity ratio declined 0.4 percentage point to 77.2%.

#### Cash flows

Cash and cash equivalents (hereafter "net cash") decreased 833 million yen from the end of the previous fiscal year to 10,948 million yen at the end of the first quarter of the current fiscal year on a consolidated basis.

Net cash used in operating activities was 127 million yen. The main factors were loss before income taxes and minority interests of 158 million yen, depreciation and amortization of 75 million yen, a 209 million yen increase in provision for sales returns, a 133 million yen decrease in inventories, and other, net of 290 million yen, while

there was a 184 million yen decrease in provision for bonuses, a 132 million yen increase in notes and accounts receivable-trade, and a 365 million yen decrease in notes and accounts payable-trade.

Net cash used in investing activities was 390 million yen. The main factors were purchases of intangible assets and investment securities of 167 million yen and 200 million yen, respectively.

Net cash used in financing activities was 315 million yen. The main factor was the cash dividends paid of 301 million yen.

### **(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements**

Although first quarter sales and earnings differed significantly from results of operations one year earlier, performance in the first quarter was consistent with the initial forecast. Consequently, we believe that performance in this fiscal year will be in line with the current forecast. Based on this outlook, there are no revisions to the first half and fiscal year forecasts that were announced on May 15, 2015.

These forecasts are based on information that is currently available and on assumptions that we believe are reasonable. Actual sales and earnings may differ significantly from these forecasts. For information about business risk factors that may be a cause of differences in actual performance, refer to the business risk section of the Shobunsha Securities Report “*Yuka-shoken Hokokusho*” for the fiscal year that ended on March 31, 2015, which was submitted on June 26, 2015.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

### **(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

#### Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

Effective from the first quarter of the current fiscal year, the Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other standards. In association with these changes, the presentation of net income and other items has been revised and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year have been revised.

**3. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	First quarter of FY3/16 (As of Jun. 30, 2015)
Assets		
Current assets		
Cash and deposits	11,357,006	10,523,333
Notes and accounts receivable-trade	3,081,905	3,214,497
Securities	1,025,280	1,025,337
Merchandise and finished goods	1,576,603	1,496,194
Work in process	350,861	297,981
Raw materials and supplies	6,411	6,045
Other	82,994	114,813
Allowance for doubtful accounts	(538)	(583)
Total current assets	17,480,525	16,677,620
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,545,199	2,513,115
Land	4,213,950	4,213,950
Other, net	130,424	129,081
Total property, plant and equipment	6,889,574	6,856,146
Intangible assets		
Database	-	44,200
Software	316,332	393,209
Other	9,412	9,352
Total intangible assets	325,745	446,762
Investments and other assets		
Investment securities	2,043,170	2,300,348
Net defined benefit asset	1,356,154	1,367,886
Other	614,488	658,817
Allowance for doubtful accounts	(381,208)	(434,502)
Total investments and other assets	3,632,605	3,892,549
Total non-current assets	10,847,925	11,195,458
Total assets	28,328,450	27,873,079

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	First quarter of FY3/16 (As of Jun. 30, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,305,829	940,786
Short-term loans payable	770,000	770,000
Current portion of long-term loans payable	50,017	41,686
Income taxes payable	67,244	35,549
Provision for bonuses	362,405	177,887
Provision for sales returns	607,277	816,851
Other	719,950	1,082,764
<b>Total current liabilities</b>	<b>3,882,723</b>	<b>3,865,525</b>
<b>Non-current liabilities</b>		
Bonds payable	1,000,000	1,000,000
Long-term loans payable	20,838	14,589
Deferred tax liabilities	1,134,888	1,149,275
Provision for directors' retirement benefits	224,500	230,100
Net defined benefit liability	85,002	90,014
Other	2,092	2,092
<b>Total non-current liabilities</b>	<b>2,467,320</b>	<b>2,486,070</b>
<b>Total liabilities</b>	<b>6,350,044</b>	<b>6,351,596</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	9,903,870	9,903,870
Capital surplus	10,708,236	10,708,236
Retained earnings	1,000,683	489,562
Treasury shares	(525,281)	(525,371)
<b>Total shareholders' equity</b>	<b>21,087,507</b>	<b>20,576,296</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	936,631	980,356
Remeasurements of defined benefit plans	(45,732)	(41,513)
<b>Total accumulated other comprehensive income</b>	<b>890,898</b>	<b>938,843</b>
Subscription rights to shares	-	6,343
<b>Total net assets</b>	<b>21,978,406</b>	<b>21,521,483</b>
<b>Total liabilities and net assets</b>	<b>28,328,450</b>	<b>27,873,079</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)
Net sales	3,191,863	3,318,351
Cost of sales	2,137,604	2,184,964
Gross profit	1,054,258	1,133,386
Provision for sales returns-net	2,504	209,574
Gross profit-net	1,051,754	923,812
Selling, general and administrative expenses	979,752	1,097,233
Operating income (loss)	72,002	(173,420)
Non-operating income		
Interest income	458	401
Dividend income	8,293	10,893
Rent income	7,177	7,621
Other	6,811	6,156
Total non-operating income	22,742	25,073
Non-operating expenses		
Interest expenses	3,116	3,028
Share issuance cost	-	5,925
Cost of lease revenue	2,064	2,132
Other	163	124
Total non-operating expenses	5,345	11,211
Ordinary income (loss)	89,398	(159,558)
Extraordinary income		
Gain on sales of non-current assets	14	1,418
Total extraordinary income	14	1,418
Extraordinary losses		
Loss on retirement of non-current assets	292	64
Total extraordinary losses	292	64
Income (loss) before income taxes and minority interests	89,121	(158,204)
Income taxes-current	23,327	19,064
Income taxes-deferred	(1,122)	1,291
Total income taxes	22,204	20,355
Profit (loss)	66,917	(178,560)
Profit (loss) attributable to owners of parent	66,917	(178,560)

**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)
Profit (loss)	66,917	(178,560)
Other comprehensive income		
Valuation difference on available-for-sale securities	161,776	43,725
Remeasurements of defined benefit plans, net of tax	(63,122)	4,218
Total other comprehensive income	98,653	47,944
Comprehensive income	165,571	(130,615)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	165,571	(130,615)
Comprehensive income attributable to non-controlling interests	-	-

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	89,121	(158,204)
Depreciation and amortization	300,562	75,029
Increase (decrease) in allowance for doubtful accounts	1,502	53,339
Increase (decrease) in net defined benefit liability	4,598	5,011
Decrease (increase) in net defined benefit asset	(109,893)	(7,513)
Increase (decrease) in provision for bonuses	(220,402)	(184,517)
Increase (decrease) in provision for sales returns	2,504	209,574
Interest and dividend income	(8,752)	(11,294)
Rent income	(7,177)	(7,621)
Interest expenses	3,116	3,028
Decrease (increase) in notes and accounts receivable-trade	701,004	(132,591)
Decrease (increase) in inventories	(82,624)	133,654
Increase (decrease) in notes and accounts payable-trade	(119,002)	(365,042)
Other, net	374,641	290,234
Subtotal	929,197	(96,915)
Interest and dividend income received	8,643	11,407
Proceeds from rent income	7,177	7,621
Interest expenses paid	(3,133)	(3,049)
Income taxes paid	(37,951)	(46,223)
Net cash provided by (used in) operating activities	903,934	(127,159)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,678)	(23,371)
Proceeds from sales of property, plant and equipment	44	-
Purchase of intangible assets	(82,000)	(167,355)
Purchase of investment securities	(2,447)	(200,355)
Collection of loans receivable	534	435
Net cash provided by (used in) investing activities	(99,548)	(390,648)
Cash flows from financing activities		
Repayments of long-term loans payable	(20,829)	(14,580)
Purchase of treasury shares	-	(89)
Cash dividends paid	(293,164)	(301,555)
Other, net	-	417
Net cash provided by (used in) financing activities	(313,993)	(315,808)
Net increase (decrease) in cash and cash equivalents	490,392	(833,616)
Cash and cash equivalents at beginning of period	10,446,666	11,782,287
Cash and cash equivalents at end of period	10,937,058	10,948,671

#### **(4) Notes to Quarterly Consolidated Financial Statements**

##### **Going Concern Assumption**

Not applicable.

##### **Significant Changes in Shareholders' Equity**

Not applicable.

##### **Segment and Other Information**

Segment information

I. First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)

Omitted since the Shobunsha Group has only a single business segment.

II. First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)

Omitted since the Shobunsha Group has only a single business segment.

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*