May 15, 2018

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (FY3/18)

[Japanese GAAP]

Company name: Shobunsha Publications, Inc. Listing: Tokyo Stock Exchange, First Section
Stock code: 9475 URL: http://www.mapple.co.jp/
Representative: Shigeo Kuroda, President & Representative Director
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Scheduled date of Annual General Meeting of Shareholders: June 28, 2018
Scheduled date of payment of dividend: June 29, 2018
Scheduled date of filing of Annual Securities Report: June 28, 2018
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2018	9,158	(11.2)	(1,060)	-	(1,018)	-	(1,768)	-
Fiscal year ended Mar. 31, 2017	10,314	(20.9)	(2,276)	-	(2,206)	-	(3,423)	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2018: (1,618) (- %)
Fiscal year ended Mar. 31, 2017: (3,147) (- %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2018	(97.28)	-	(9.5)	(4.4)	(11.6)
Fiscal year ended Mar. 31, 2017	(205.46)	-	(16.4)	(8.4)	(22.1)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2018: (31) Fiscal year ended Mar. 31, 2017: (0)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	22,188	17,612	79.3	967.47
As of Mar. 31, 2017	24,550	19,596	79.7	1,076.49

Reference: Shareholders' equity (million yen) As of Mar. 31, 2018: 17,586 As of Mar. 31, 2017: 19,568

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2018	(646)	238	(363)	7,132
Fiscal year ended Mar. 31, 2017	(787)	(1,185)	(354)	7,899

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2017	-	0.00	-	20.00	20.00	363	-	1.7
Fiscal year ended Mar. 31, 2018	-	0.00	-	20.00	20.00	363	-	2.0
Fiscal year ending Mar. 31, 2019 (forecasts)	-	0.00	-	5.00	5.00		101.0	

Note: The dividend for the fiscal year ended March 31, 2018 was paid from the capital surplus. Please refer to "Breakdown of dividends paid from the capital surplus" described below for further information.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,500	(3.2)	(510)	-	(480)	-	(510)	-	(28.06)
Full year	9,910	8.2	90	-	150	-	90	-	4.95

*** 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) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

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

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of issued shares (common stock)

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

As of Mar. 31, 2018: 18,178,173 shares As of Mar. 31, 2017: 18,178,173 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2018: 300 shares As of Mar. 31, 2017: 0 share

3) Average number of shares during the period

Fiscal year ended Mar. 31, 2018: 18,177,986 shares Fiscal year ended Mar. 31, 2017: 16,661,874 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2018	8,973	(7.3)	(1,039)	-	(902)	-	(1,616)	-
Fiscal year ended Mar. 31, 2017	9,681	(20.8)	(2,051)	-	(1,994)	-	(3,225)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2018	(88.94)	-
Fiscal year ended Mar. 31, 2017	(193.60)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	21,595	17,234	79.7	946.65
As of Mar. 31, 2017	23,669	19,165	80.9	1,052.82

Reference: Shareholders' equity (million yen) As of Mar. 31, 2018: 17,208 As of Mar. 31, 2017: 19,138

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forward-looking statements

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, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 4 of attachments for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

The Company plans to hold a results presentation for analysts on May 31, 2018. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

Breakdown of dividends paid from the capital surplus

Of the dividends in the fiscal year ended March 31, 2018, breakdown of dividends paid from the capital surplus is shown below:

Record date	Year-end	Total
Dividend per share (Yen)	20.00	20.00
Total dividends (Million yen)	363	363

Note: Reduction rate in net assets due to the dividends paid from net assets is 0.015.

Contents of Attachments

1. Overview of Results of Operations

(1) Results of Operations

In the fiscal year ended on March 31, 2018 (from April 1, 2017 to March 31, 2018) (hereinafter, "the current fiscal year"), the Japanese economy recovered at a moderate pace as consumer spending improved because of continuing strength in employment and personal income. It was also supported by the growth of overseas economies. The range of economic expansion spread to broader economic entities without limited to specific industries or regions.

In response to the challenging business environment, the Shobunsha Publications Group (hereinafter "the Group") implemented a number of structural business reforms with the goal of quickly turning around its financial performance. Such reforms included a change in our organizational structure, centralization of database production at a subsidiary to improve efficiency and strengthen this function, absorption of a subsidiary Canvas Mapple Co., Ltd., and introduction of a performance-linked personnel system. In December 2017, we revised the corporate governance structure to enable even faster management decision-making by discontinuing the practice for directors to have concurrent post and by delegating some authority for business execution to executive officers. In terms of business operations, following the acquisition of the restaurant reservation service for overseas travelers "GURUYAKU" at the end of the previous fiscal year, we established subsidiaries in Hawaii, Guam and Singapore, aiming to expand the "MAPPLE Activity" business, which started in July 2017 to handle reservations and sales of local tours for travelers, and also the "Taylor" business, which started in November 2017 as a new Tabinaka reservation service exclusively for women. In March 2018, we expanded the geographical coverage of "MAPPLE Activity" by adding 50 cities in 24 areas to the existing resort areas, namely Hawaii, Guam and Okinawa, resulting in the current coverage of 53 cities in 27 areas across the world. In July 2017, we established a joint venture with Headspring Inc., a company that provides innovative energy solutions. The aim of this new company, which is an equity-method affiliate, is to start a new business that utilizes the strengths of both companies. Furthermore, as part of the efforts to strengthen the future regional revitalization business, the Group concluded a comprehensive partnership agreement in February 2018 with Kasama City, Ibaraki Prefecture for the future regional vitalization together with Omatsuri Japan Co., Ltd., which offers *omatsuri*, or festival, organization and event planning services.

Concerning the results for the current fiscal year, e-business sales decreased 522 million yen from one year earlier to 2,319 million yen. One reason was a decrease in sales associated with portable navigation devices (PND) caused by the continuing effects of free car GPS navigation apps. In addition, we failed to receive orders involving a large, recurring project in the previous fiscal year. In the retail publishing business, the cost of returned publications was down by 612 million yen from one year earlier because of the rigorous management of inventories at stores. Publication returns were a major cause of the decline in the performance of this business in the previous fiscal year. However, performance was negatively affected by measures to hold down the number of publications supplied to book stores aiming to reduce returns. Furthermore, as contrasted with the situation during the previous fiscal year, no revised editions of guidebooks were released during the current fiscal year. As a result, sales of the retail publishing business decreased 504 million yen from one year earlier to 5,372 million yen. There was also a 32 million yen increase in fee income associated with the addition of the GURUYAKU, MAPPLE Activity and Taylor services. Overall, consolidated sales for the current fiscal year decreased 1,156 million yen (11.2%) from one year earlier to 9,158 million yen.

In terms of profitability, cost of sales decreased from one year earlier, which was more than the decline in sales, thanks to emerging benefits of higher efficiency associated with structural business reforms. On the other hand, the addition to the provision for sales returns was 155 million yen higher than one year earlier. Selling, general and administrative expenses were 1,215 million yen less than one year earlier due to a decrease in personnel expenses resulting from a decline in the workforce, a decrease in provision for bonuses and the benefits of a variety of cost-cutting measures. As a result, operating loss for the current fiscal year was 1,060 million yen, 1,215 million yen less than a 2,276 million yen operating loss for the previous fiscal year. Ordinary loss was

1,018 million yen, 1,188 million yen less than a 2,206 million yen ordinary loss for the previous fiscal year.

Our shares of Avenry, Inc. (formerly, QF Pay Japan Inc.), our equity-method affiliate, have significantly been diluted because Avenry issued new shares upon request of Whiz Asia Evolution Fund Investment Limited Partnership for exercise of share acquisition rights. As this transaction has caused our percentage of voting rights to decline to less than 1%, Avenry is now no longer our equity-method affiliate and, therefore, a loss on change in equity of 117 million yen was posted as an extraordinary loss. The Company entered into a contract with a third-party corporation in Japan mainly for the purpose of obtaining traffic restriction and other information used for automotive navigation systems, processing our map database by using the information, and selling the map database. However, in light of the present circumstance of our car navigation business, the Company decided to cancel the contract by paying a penalty. As a result, a cancellation penalty of 232 million yen was posted as an extraordinary loss.

Based on the above results, a large amount of loss was recorded for the current fiscal year, and also in the next fiscal year ending March 31, 2019, we expect a severe business environment to continue. As a result of examining future recoverability of the non-current assets held by the Company and its consolidated subsidiaries in accordance with the "Accounting Standard for Impairment of Fixed Assets," an impairment loss of 344 million yen was posted as an extraordinary loss. The major breakdown of the impairment loss is as follows: 16 million yen for database, 265 million yen for software, 27 million yen for buildings and structures, 16 million yen for tools, furniture and fixtures, 9 million yen for machinery, equipment and vehicles, and 9 million yen for telephone subscription rights.

Consequently, loss attributable to owners of parent was 1,768 million yen (compared with loss attributable to owners of parent of 3,423 million yen in the previous fiscal year).

Sales (Millions of yen)

Category	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	YoY change (%)
Retail publishing			
Maps	2,086	1,787	85.7
Magazines	2,876	2,804	97.5
Guidebooks	811	666	82.2
Practical books	102	113	110.3
Subtotal	5,876	5,372	91.4
Special-order products	736	624	84.7
Advertising income	818	770	94.1
e-business sales	2,842	2,319	81.6
Fees and commissions	39	72	181.9
Total	10,314	9,158	88.8

Notes: 1. The amounts are based on selling prices.
2. The above amounts do not include consumption taxes.

(2) Financial Position

Total assets decreased 2,362 million yen (9.6%) from the end of the previous fiscal year to 22,188 million yen at the end of the current fiscal year. This was mainly due to decreases in cash and deposits of 767 million yen, notes and accounts receivable-trade of 496 million yen, securities of 500 million yen, merchandise and finished goods of 339 million yen, and investment securities of 206 million yen, which were partially offset by an increase in net defined benefit asset of 152 million yen. Total liabilities decreased 379 million yen (7.7%) from the end of the previous fiscal year to 4,575 million yen. This was mainly due to decreases in provision for bonuses of 343 million yen, provision for sales returns of 67 million yen and other current liabilities of 65 million yen, which were partially offset by increases in accrued expenses of 65 million yen, accrued consumption taxes of 55 million yen and deferred tax liabilities of 55 million yen. Net assets decreased 1,983 million yen (10.1%) from the end of the previous fiscal year to 17,612 million yen because the Group reported loss attributable to owners of parent and paid dividends from capital surplus, resulting in decreases of 363 million yen in capital surplus and 1,768 million yen in retained earnings.

As a result, the equity ratio decreased 0.4 percentage points to 79.3%.

In a press release dated May 12, 2017, Shobunsha announced its intention to reduce the other capital surplus of 5,077 million yen by 3,077 million yen in accordance with Article 452 of the Companies Act and transfer the entire amount to retained earnings brought forward in order to offset the negative retained earnings brought forward. This reduction and transfer were approved at the Annual General Meeting of Shareholders held on June 29, 2017. However, in association with subsequent retroactive revisions made to financial statements in prior fiscal years, the amount of the negative retained earnings brought forward decreased. As a result, we have decided to not conduct this transfer because the amount of transfer would be more than the negative retained earnings brought forward.

(3) Cash flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the current fiscal year decreased 767 million yen from one year earlier to 7,132 million yen on a consolidated basis. Net cash used in operating activities was 646 million yen, net cash provided by investing activities was 238 million yen, and net cash used in financing activities was 363 million yen.

Cash flows by category are described as below.

Net cash used in operating activities was 646 million yen. The main factors were depreciation and amortization of 153 million yen, loss on change in equity of 117 million yen, impairment loss of 344 million yen, payments of cancellation penalty of 232 million yen, a 496 million yen decrease in notes and accounts receivable-trade, and a 326 million yen decrease in inventories, which were more than offset by booking of loss before income taxes of 1,728 million yen, a 343 million yen decrease in provision for bonuses, a 67 million yen decrease in provision for sales returns, and a 208 million yen decrease in other current liabilities.

Net cash provided by investing activities was 238 million yen. The main factors were proceeds from redemption of securities of 500 million yen and proceeds from redemption of investment securities of 100 million yen, which were partially offset by purchase of property, plant and equipment of 79 million yen and purchase of intangible assets of 299 million yen.

Net cash used in financing activities was 363 million yen, which was mainly caused by the payment of cash dividends of 363 million yen.

(4) Outlook

In this ongoing challenging business environment, we regard urgent improvement in our financial performance as the top priority. To this end, we have introduced a three-business division system to clarify profit responsibilities of each business effective from the current fiscal year. In addition, we have taken a measure to improve efficiency of database production by consolidating the operations into a subsidiary and implementing in-house production of previously outsourced works. Also, we have established a system to separate management supervision and execution functions with an aim to further accelerate business activities by simplifying the decision-making process. We are aware that it takes some time for these system reforms aiming at the improvement of financial performance to produce tangible results, but we believe that these reforms are steadily changing the mindset of all the employees to be more profit conscious.

As part of our initiatives to develop future businesses in addition to those for our conventional businesses, we have redefined behavior of tourists—our main customers as "Tabimae" (before traveling), "Tabinaka" (during traveling) and "Tabiato" (after traveling).

Targeting the “Tabimae” tourists who are at the preparatory stage such as preliminary information-gathering, the publishing business will continue to be engaged in publishing new books full of hot topics that will meet the needs of readers planning to travel. We will also try to realize reduction of returned products by thorough market inventory management. Further, we will enhance our information provision service that will meet the needs of “Tabimae” users through electronic channels such as “co-Trip WEB,” “co-Trip App,” “Fish & Tips” and “MAPPLE Travel Guide.”

Targeting the “Tabinaka” tourists, we will continue to prioritize information provision service and booking service for various activities during their travels. Specifically, we will provide information and booking services on gourmet restaurants and local tours through our WEB services such as “GURUYAKU,” “MAPPLE Activity” and “Taylor.” On the other hand, consumption behavior of “Tabinaka” tourists attracts considerable attention especially from local governments that undertake regional revitalization projects. We will strive to expand our long-standing business relationships with the local governments and strengthen our initiative to support regional revitalization projects by utilizing “Mapple link,” which attracts numerous users as a free e-book app attached to the Company’s publications, as well as “DiGJAPAN!” app used by many foreign visitors and other electronic media expected to be used by “Tabinaka” tourists.

Targeting the “Tabiato” tourists, we wish to create a virtuous cycle where travelers will use our information and services again on their next travelling opportunities by continuing to improve the information and services we provide to the “Tabimae” and “Tabinaka” tourists so that they will help tourists to have “experiences that create happy memories.”

By addressing the above-mentioned challenges one by one, we will strive to improve our business performance consistently. For the next fiscal year, we expect net sales of 9,910 million yen (up 8.2% year on year), operating profit of 90 million yen, ordinary profit of 150 million yen, and profit attributable to owners of parent of 90 million yen. However, actual results may differ significantly from these forecasts for a number of factors. Furthermore, as we are now putting most of our efforts into the “Tabinaka” business, we anticipate that there might be some room for achieving more-than-expected results primarily through a rapid expansion of the coverage areas going forward. A revised forecast will be announced promptly if we subsequently expect that our performance will differ significantly from these forecasts.

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.

(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of the Company. We have distributed earnings to shareholders from capital surplus even if retained earnings are negative so far based on the basic policy to pay a stable dividend that reflects results of operations and the operating environment. However, since we have been in a severe business circumstance where a net loss was posted for two consecutive fiscal years, we will pay dividends from retained earnings from the next fiscal year and thereafter for some time in consideration of the fundamental purpose of dividends while maintaining the basic policy described above.

Retained earnings will be used for efficient investments from a long-term perspective. We will use retained earnings effectively by investing in system development and capital assets for new businesses that we believe to have a great growth potential. We will also make investments to form alliances with other companies in order to adapt quickly to the rapidly changing business climate.

Though we are not able to distribute dividends from retained earnings because we have a substantial amount of net loss and retained earnings deficit for the current fiscal year, we will adhere to the above basic policy for dividends and have decided to seek approval at the 59th Annual General Meeting of Shareholders for distributing an initially planned ordinary dividend of 20 yen per share by means of reducing capital surplus.

Regarding dividends for the next fiscal year, we plan to pay a dividend of 5 yen per share based on the earnings forecast for the fiscal year ending March 31, 2019 in line with the policy to pay dividends from retained earnings.

2. Basic Approach to the Selection of Accounting Standards

The Group uses generally accepted accounting principles in Japan because group companies operate primarily in Japan and there is normally no need to procure funds in other countries. In addition, the use of Japanese accounting principles facilitates comparisons with other companies in Japan in the same industry.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	7,899,931	7,132,362
Notes and accounts receivable-trade	3,421,214	2,924,247
Securities	500,000	-
Merchandise and finished goods	2,136,025	1,796,127
Work in process	314,714	328,711
Raw materials and supplies	1,495	645
Other	256,023	196,314
Allowance for doubtful accounts	(633)	(287)
Total current assets	14,528,770	12,378,121
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,426,890	7,404,971
Accumulated depreciation	(5,116,500)	(5,230,982)
Buildings and structures, net	2,310,389	2,173,989
Machinery, equipment and vehicles	465,220	456,820
Accumulated depreciation	(455,716)	(448,654)
Machinery, equipment and vehicles, net	9,503	8,165
Tools, furniture and fixtures	801,181	752,134
Accumulated depreciation	(801,181)	(751,168)
Tools, furniture and fixtures, net	-	965
Land	4,213,950	4,213,950
Total property, plant and equipment	6,533,844	6,397,071
Intangible assets	9,267	-
Investments and other assets		
Investment securities	* 2,087,128	* 1,880,312
Net defined benefit asset	1,202,630	1,355,548
Other	* 712,634	* 698,837
Allowance for doubtful accounts	(523,390)	(521,559)
Total investments and other assets	3,479,003	3,413,138
Total non-current assets	10,022,115	9,810,210
Total assets	24,550,885	22,188,332

(Thousands of yen)

	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,064,972	998,012
Short-term loans payable	770,000	770,000
Accrued expenses	479,320	544,502
Income taxes payable	69,110	87,799
Accrued consumption taxes	17,442	72,938
Provision for bonuses	694,233	350,380
Provision for sales returns	789,746	721,871
Other	229,055	163,258
Total current liabilities	4,113,879	3,708,761
Non-current liabilities		
Deferred tax liabilities	493,236	548,619
Net defined benefit liability	93,608	101,201
Other	253,992	217,042
Total non-current liabilities	840,836	866,862
Total liabilities	4,954,716	4,575,624
Net assets		
Shareholders' equity		
Capital stock	10,141,136	10,141,136
Capital surplus	10,945,502	10,581,938
Retained earnings	(2,126,264)	(3,894,606)
Treasury shares	-	(220)
Total shareholders' equity	18,960,373	16,828,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	693,955	744,447
Foreign currency translation adjustment	-	4,270
Remeasurements of defined benefit plans	(85,765)	9,602
Total accumulated other comprehensive income	608,190	758,320
Share acquisition rights	27,605	26,140
Total net assets	19,596,169	17,612,708
Total liabilities and net assets	24,550,885	22,188,332

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Net sales	10,314,458	9,158,456
Cost of sales	8,405,504	7,093,279
Gross profit	1,908,953	2,065,176
Reversal of provision for sales returns	1,013,605	789,746
Provision for sales returns	789,746	721,871
Provision for sales returns-net	(223,859)	(67,875)
Gross profit-net	2,132,812	2,133,051
Selling, general and administrative expenses	*1 *2 4,409,513	*1 *2 3,193,938
Operating loss	(2,276,700)	(1,060,886)
Non-operating income		
Interest income	2,102	1,168
Dividend income	32,010	35,233
Rent income	37,742	38,539
Dividend income of insurance	4,537	4,009
Income from sales of used paper	-	13,225
Gain on investments in partnership	-	11,525
Other	29,050	8,825
Total non-operating income	105,443	112,527
Non-operating expenses		
Interest expenses	11,469	11,454
Share issuance cost	1,775	1,700
Cost of lease revenue	16,377	24,386
Share of loss of entities accounted for using equity method	778	31,849
Loss on investments in partnership	4,177	-
Other	490	441
Total non-operating expenses	35,068	69,831
Ordinary loss	(2,206,325)	(1,018,190)
Extraordinary income		
Gain on sales of non-current assets	*3 182	*3 1,136
Gain on transfer of business	-	1,628
Total extraordinary income	182	2,764
Extraordinary losses		
Loss on sales of non-current assets	*4 100	-
Loss on retirement of non-current assets	*5 9,164	*5 3,424
Loss on sales of investment securities	-	1,333
Loss on valuation of investment securities	8,059	8,589
Loss on valuation of membership	-	6,080
Loss on change in equity	-	117,524
Impairment loss	*6 1,203,813	*6 344,086
Cancellation penalty	-	232,143
Total extraordinary losses	1,221,138	713,182
Loss before income taxes	(3,427,280)	(1,728,608)
Income taxes-current	28,390	35,677
Income taxes-deferred	(32,263)	4,056
Total income taxes	(3,873)	39,733
Loss	(3,423,407)	(1,768,342)
Loss attributable to owners of parent	(3,423,407)	(1,768,342)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Loss	(3,423,407)	(1,768,342)
Other comprehensive income		
Valuation difference on available-for-sale securities	84,909	50,491
Foreign currency translation adjustment	-	4,270
Remeasurements of defined benefit plans, net of tax	191,104	95,368
Total other comprehensive income	* 276,013	* 150,129
Comprehensive income	(3,147,393)	(1,618,212)
Comprehensive income attributable to:		
Owners of parent	(3,147,393)	(1,618,212)
Non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,903,870	10,708,236	1,641,846	(525,371)	21,728,580
Changes of items during period					
Conversion of convertible bonds with share acquisition rights	237,266	237,266		525,467	1,000,000
Dividends of surplus			(332,558)		(332,558)
Loss attributable to owners of parent			(3,423,407)		(3,423,407)
Change of scope of consolidation			(12,144)		(12,144)
Purchase of treasury shares				(95)	(95)
Net changes of items other than shareholders' equity					
Total changes of items during period	237,266	237,266	(3,768,110)	525,371	(2,768,206)
Balance at end of current period	10,141,136	10,945,502	(2,126,264)	-	18,960,373

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	609,046	(276,870)	332,176	27,713	22,088,469
Changes of items during period					
Conversion of convertible bonds with share acquisition rights					1,000,000
Dividends of surplus					(332,558)
Loss attributable to owners of parent					(3,423,407)
Change of scope of consolidation					(12,144)
Purchase of treasury shares					(95)
Net changes of items other than shareholders' equity	84,909	191,104	276,013	(107)	275,906
Total changes of items during period	84,909	191,104	276,013	(107)	(2,492,299)
Balance at end of current period	693,955	(85,765)	608,190	27,605	19,596,169

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,141,136	10,945,502	(2,126,264)	-	18,960,373
Changes of items during period					
Dividends of surplus		(363,563)			(363,563)
Loss attributable to owners of parent			(1,768,342)		(1,768,342)
Purchase of treasury shares				(220)	(220)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(363,563)	(1,768,342)	(220)	(2,132,126)
Balance at end of current period	10,141,136	10,581,938	(3,894,606)	(220)	16,828,247

	Accumulated other comprehensive income				Share acquisition rights	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 current period	693,955		(85,765)	608,190	27,605	19,596,169
Changes of items during period						
Dividends of surplus						(363,563)
Loss attributable to owners of parent						(1,768,342)
Purchase of treasury shares						(220)
Net changes of items other than shareholders' equity	50,491	4,270	95,368	150,129	(1,465)	148,664
Total changes of items during period	50,491	4,270	95,368	150,129	(1,465)	(1,983,461)
Balance at end of current period	744,447	4,270	9,602	758,320	26,140	17,612,708

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from operating activities		
Loss before income taxes	(3,427,280)	(1,728,608)
Depreciation and amortization	426,971	153,083
Loss (gain) on valuation of short-term and long-term investment securities	8,059	8,589
Loss (gain) on change in equity	-	117,524
Impairment loss	1,203,813	344,086
Payments of cancellation penalty	-	232,143
Share of loss (profit) of entities accounted for using equity method	778	31,849
Increase (decrease) in allowance for doubtful accounts	101,820	(2,178)
Increase (decrease) in net defined benefit liability	(1,702)	7,593
Decrease (increase) in net defined benefit asset	105,368	(15,459)
Increase (decrease) in provision for bonuses	385,400	(343,852)
Increase (decrease) in provision for sales returns	(223,859)	(67,875)
Interest and dividend income	(34,112)	(36,401)
Rent income	(37,742)	(38,539)
Interest expenses	11,469	11,454
Decrease (increase) in notes and accounts receivable-trade	874,565	496,967
Decrease (increase) in inventories	(178,594)	326,750
Decrease (increase) in other current assets	(120,179)	61,985
Decrease (increase) in other non-current assets	(73,191)	13,310
Increase (decrease) in notes and accounts payable-trade	47,079	(66,959)
Increase (decrease) in accrued consumption taxes	(121,601)	55,495
Increase (decrease) in other current liabilities	219,613	(208,386)
Increase (decrease) in other non-current liabilities	5,500	(36,950)
Subtotal	(827,822)	(684,375)
Interest and dividend income received	34,129	36,373
Proceeds from rent income	37,680	39,240
Interest expenses paid	(8,191)	(11,423)
Income taxes paid	(22,810)	(26,640)
Net cash provided by (used in) operating activities	(787,015)	(646,825)
Cash flows from investing activities		
Proceeds from redemption of securities	800,000	500,000
Purchase of securities	(1,303,260)	-
Purchase of property, plant and equipment	(31,923)	(79,294)
Proceeds from sales of property, plant and equipment	1,188	1,096
Purchase of intangible assets	(623,932)	(299,385)
Proceeds from redemption of investment securities	-	100,000
Purchase of investment securities	(254,351)	(17,795)
Proceeds from sales of investment securities	224,598	8,667
Payments of long-term loans receivable from employees	-	(7,000)
Collection of loans receivable	2,515	3,145
Other, net	-	29,528
Net cash provided by (used in) investing activities	(1,185,165)	238,962
Cash flows from financing activities		
Repayments of long-term loans payable	(20,838)	-
Purchase of treasury shares	(95)	(220)
Cash dividends paid	(333,103)	(363,754)
Net cash provided by (used in) financing activities	(354,037)	(363,975)
Effect of exchange rate change on cash and cash equivalents	-	4,270
Net increase (decrease) in cash and cash equivalents	(2,326,218)	(767,568)
Cash and cash equivalents at beginning of period	9,949,446	7,899,931
Increase in cash and cash equivalents from newly consolidated subsidiary	276,703	-
Cash and cash equivalents at end of period	*1 7,899,931	*1 7,132,362

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Notes to Consolidated Balance Sheet

* The following items are applicable to a non-consolidated subsidiary and affiliates.

(Thousands of yen)

	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Investment securities (stocks)	149,221	4,656
Investments and other assets, other (investments in capital)	19,000	19,000
Total	168,221	23,656

Notes to Consolidated Statement of Income

*1. Major items of selling, general and administrative expenses

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Packing and delivery expenses	159,269	143,099
Promotion expenses	140,403	86,866
Advertising expenses	176,986	109,128
Provision of allowance for doubtful accounts	131,200	(1,441)
Directors' compensations	195,542	149,723
Provision for directors' retirement benefits	5,500	-
Salaries, allowances and bonuses	1,462,494	1,128,041
Provision for bonuses	366,051	166,686
Legal welfare expenses	293,668	205,691
Retirement benefit expenses	137,233	65,705
Transportation expenses	157,933	145,846
Depreciation	92,939	88,512
Rent expenses	56,246	55,674
Business consignment expenses	196,899	141,520
Taxes and dues	51,041	54,652
Research and development expenses	67,814	41,634
Other	718,288	612,594
Total	4,409,513	3,193,938

*2. Total amount of research and development expenses included in general and administrative expenses

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
	67,814	41,634

*3. Breakdown of gain on sales of non-current assets

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Machinery, equipment and vehicles	168	1,099
Tools, furniture and fixtures	13	37
Total	182	1,136

*4. Breakdown of loss on sales of non-current assets

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Tools, furniture and fixtures	100	-

*5. Breakdown of loss on retirement of non-current assets

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Buildings and structures	300	3,424
Tools, furniture and fixtures	181	-
Software	8,682	-
Total	9,164	3,424

*6. Impairment loss

The Group recognized an impairment loss on the following groups of assets.

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

Primary use	Class	Location
Operating assets	Machinery, equipment and vehicles	Chiyoda-ku, Tokyo; Osaka, Osaka Prefecture
Operating assets	Tools, furniture and fixtures	Chiyoda-ku, Tokyo; Koto-ku, Tokyo; Osaka, Osaka Prefecture; Ichihara, Chiba Prefecture
Operating assets	Database	Koto-ku, Tokyo
Operating assets	Software	Chiyoda-ku, Tokyo; Koto-ku, Tokyo

Reason for decision to recognize impairment losses

As demonstrated in a series of events including a recent slump in sales of map-related publications, sluggish sales in the car navigation business caused by the advent of free-of-charge navigation apps and saturation of the PND market, and far more than expected returns in the publishing business, the business environment surrounding the Group has changed dramatically, and we expect such a harsh market environment to continue going forward.

Given such a situation, non-current assets held by the Group were tested for impairment and, as a result, their carrying amounts have been written down to the recoverable amounts and the amount of reduction was recognized as an impairment loss.

Amount of impairment loss (Thousands of yen)

Class	Amount
Property, plant and equipment	
Machinery, equipment and vehicles	16,076
Tools, furniture and fixtures	83,436
Intangible assets	
Database	182,158
Software	922,142
Total	1,203,813

Method used to group assets

Grouping of assets is based on the asset classification used for managerial accounting whereby the Group measures operating performance and cash flows on a regular basis. Idle assets, however, are grouped on an individual asset basis.

Method for calculating recoverable amount

The Group measures the recoverable amount based on value in use. As the amount of value in use based on the future cash flows is zero, the recoverable amount is assessed to be zero.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

Primary use	Class	Location
Operating assets	Buildings and structures	Ichihara, Chiba Prefecture
Operating assets	Machinery, equipment and vehicles	Chiyoda-ku, Tokyo; Osaka, Osaka Prefecture
Operating assets	Tools, furniture and fixtures	Chiyoda-ku, Tokyo; Koto-ku, Tokyo; Osaka, Osaka Prefecture; Shinjuku-ku, Tokyo; Ichihara, Chiba Prefecture
Operating assets	Database	Koto-ku, Tokyo
Operating assets	Software and other	Chiyoda-ku, Tokyo; Koto-ku, Tokyo; Shinjuku-ku, Tokyo; Ichihara, Chiba Prefecture

Reason for decision to recognize impairment losses

While being surrounded by a severe business environment represented by shrinkage of the publishing market and popularity of free navigation apps, the Group is actively being engaged in developing new businesses involving services beyond provision of information in addition to implementing the system reforms and pursuing more efficient operations. However, in light of a change in business environment surrounding the Group, we cannot expect our financial performance to improve dramatically and the harsh market environment to change more favorably in the future.

Further, in comprehensive consideration of relevant factors including the needs for aggressive investment in the new businesses, non-current assets held by the Group were tested for impairment and, as a result, their carrying amounts have been written down to the recoverable amounts and the amount of reduction was recognized as an impairment loss.

Amount of impairment loss (Thousands of yen)

Class	Amount
Property, plant and equipment	
Buildings and structures	27,200
Machinery, equipment and vehicles	9,763
Tools, furniture and fixtures	16,095
Intangible assets	
Database	16,044
Software and other	274,982
Total	344,086

Method used to group assets

Grouping of assets is based on the asset classification used for managerial accounting whereby the Group measures operating performance and cash flows on a regular basis. Idle assets, however, are grouped on an individual asset basis.

Method for calculating recoverable amount

The Group measures the recoverable amount based on value in use or net selling price. As the amount of value in use based on the future cash flows is zero, the recoverable amount is assessed to be zero.

In addition, net selling price is reasonably estimated based on market price.

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Valuation difference on available-for-sale securities:		
Amount incurred during the period	97,464	59,727
Before tax effect adjustments	97,464	59,727
Tax effect	(12,555)	(9,236)
Valuation difference on available-for-sale securities	84,909	50,491
Foreign currency translation adjustment:		
Amount incurred during the period	-	4,270
Remeasurements of defined benefit plans, net of tax:		
Amount incurred during the period	128,192	91,843
Reclassification adjustments	147,254	45,614
Before tax effect adjustments	275,446	137,458
Tax effect	(84,341)	(42,089)
Remeasurements of defined benefit plans, net of tax	191,104	95,368
Total other comprehensive income	276,013	150,129

Notes to Consolidated Statement of Changes in Equity

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

1. Type and number of outstanding shares and treasury shares (Thousands of shares)

	Number of shares as of Apr. 1, 2016	Increase	Decrease	Number of shares as of Mar. 31, 2017
Outstanding shares				
Common stock (Note 1)	17,307	870	-	18,178
Total	17,307	870	-	18,178
Treasury shares				
Common stock (Notes 2 & 3)	679	0	679	-
Total	679	0	679	-

Notes: 1. An increase of 870 thousand shares in the number of outstanding shares of common stock is due to conversion of convertible bonds with share acquisition rights.
2. An increase of 0 thousand shares in the number of treasury shares of common stock is due to the acquisition of odd-lot shares.
3. A decrease of 679 thousand shares in the number of treasury shares of common stock is due to conversion of convertible bonds with share acquisition rights.

2. Share acquisition rights

Category	Details of share acquisition rights	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights (shares)				Balance as of Mar. 31, 2017 (Thousands of yen)
			As of Apr. 1, 2016	Increase	Decrease	As of Mar. 31, 2017	
Filing company (Parent)	Share acquisition rights No. 1	Common stock	600,000	-	-	600,000	6,120
	Share acquisition rights No. 2	Common stock	130,000	-	-	130,000	208
	Share acquisition rights No. 3	Common stock	100,000	-	-	100,000	15
	Share acquisition rights No. 4 (as stock option)	-	-	-	-	-	21,262
Total		-	-	-	-	-	27,605

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 29, 2016	Common stock	332,558	20	Mar. 31, 2016	Jun. 30, 2016

(2) Dividends with a record date in FY3/17 but an effective date in FY3/18

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 29, 2017	Common stock	363,563	Capital surplus	20	Mar. 31, 2017	Jun. 30, 2017

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

1. Type and number of outstanding shares and treasury shares (Thousands of shares)

	Number of shares as of Apr. 1, 2017	Increase	Decrease	Number of shares as of Mar. 31, 2018
Outstanding shares				
Common stock	18,178	-	-	18,178
Total	18,178	-	-	18,178
Treasury shares				
Common stock (Note 1)	-	0	-	0
Total	-	0	-	0

Note: 1. An increase of 0 thousand shares in the number of treasury shares of common stock is due to the acquisition of odd-lot shares.

2. Share acquisition rights

Category	Details of share acquisition rights	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights (shares)				Balance as of Mar. 31, 2018 (Thousands of yen)
			As of Apr. 1, 2017	Increase	Decrease	As of Mar. 31, 2018	
Filing company (Parent)	Share acquisition rights No. 1	Common stock	600,000	-	-	600,000	6,120
	Share acquisition rights No. 2	Common stock	130,000	-	-	130,000	208
	Share acquisition rights No. 3	Common stock	100,000	-	-	100,000	15
	Share acquisition rights No. 4 (as stock option)	-	-	-	-	-	19,797
Total		-	-	-	-	-	26,140

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 29, 2017	Common stock	363,563	20	Mar. 31, 2017	Jun. 30, 2017

(2) Dividends with a record date in FY3/18 but an effective date in FY3/19

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 28, 2018	Common stock	363,557	Capital surplus	20	Mar. 31, 2018	Jun. 29, 2018

Notes to Consolidated Statement of Cash Flows

*1 Reconciliation of cash and cash equivalents at the end of the fiscal year and amount on the consolidated balance sheet

(Thousands of yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Cash and deposits	7,899,931	7,132,362
Cash and cash equivalents	7,899,931	7,132,362

* Material non-cash transactions

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

There were a decrease of 1,000,000 thousand yen in convertible bonds with share acquisition rights, increases of 237,266 thousand yen in both capital stock and capital surplus, and a decrease of 525,467 thousand yen in treasury shares as a result of the exercise of share acquisition rights attached to the convertible bonds with share acquisition rights issued by the Company.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

There are no significant items.

Segment and Other Information

Segment information

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Omitted since the Group has only a single business segment.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Omitted since the Group has only a single business segment.

Related information

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

1. Information by product or service (Thousands of yen)

Category		Sales to external customers
Retail publishing	Maps	2,086,201
	Magazines	2,876,647
	Guidebooks	811,166
	Practical books	102,753
Subtotal		5,876,769
Special-order products		736,964
Advertising		818,381
e-business sales		2,842,489
Fees and commissions		39,853
Total		10,314,458

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client (Thousands of yen)

Company name	Sales
NIPPON SHUPPAN HANBAI INC.	2,168,623
TOHAN CORPORATION	1,925,499
NIHON CHIZU KYOHAN Co., Ltd.	582,694

Note: The Group does not provide segment information because it has only a single business segment.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

1. Information by product or service (Thousands of yen)

Category		Sales to external customers
Retail publishing	Maps	1,787,682
	Magazines	2,804,080
	Guidebooks	666,950
	Practical books	113,343
Subtotal		5,372,057
Special-order products		624,009
Advertising		770,309
e-business sales		2,319,600
Fees and commissions		72,478
Total		9,158,456

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client (Thousands of yen)

Company name	Sales
NIPPON SHUPPAN HANBAI INC.	2,707,390
TOHAN CORPORATION	1,867,534
OaK. Co., Ltd.	395,737

Note: The Group does not provide segment information because it has only a single business segment.

Information related to impairment losses on non-current assets, etc. for each reportable segment

Omitted since the Group has only a single business segment.

Information related to goodwill amortization and the unamortized balance for each reportable segment

Omitted since the Group has only a single business segment.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Net assets per share	1,076.49	967.47
Net loss per share	(205.46)	(97.28)

Notes: 1. Diluted net income per share is not presented since the Company has outstanding dilutive securities, but posted a net loss.
2. Basis for calculating net loss per share is as follows.

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Net loss per share		
Loss attributable to owners of parent (Thousands of yen)	(3,423,407)	(1,768,342)
Amount not available to common shareholders (Thousands of yen)	-	-
Loss attributable to common shareholders of parent (Thousands of yen)	(3,423,407)	(1,768,342)
Average number of shares outstanding during period (Thousands of shares)	16,661	18,177
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	Share acquisition rights No. 1 (Number of share acquisition rights: 6,000 units) Share acquisition rights No. 2 (Number of share acquisition rights: 1,300 units) Share acquisition rights No. 3 (Number of share acquisition rights: 1,000 units) Share acquisition rights No. 4 (Number of share acquisition rights: 8,505 units)	Share acquisition rights No. 1 (Number of share acquisition rights: 6,000 units) Share acquisition rights No. 2 (Number of share acquisition rights: 1,300 units) Share acquisition rights No. 3 (Number of share acquisition rights: 1,000 units) Share acquisition rights No. 4 (Number of share acquisition rights: 7,919 units)

Subsequent Events

Not applicable.

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.