May 15, 2019

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (FY3/19)

[Japanese GAAP]

Company name: Shobunsha Publications, Inc. Listing: Tokyo Stock Exchange, First Section
Stock code: 9475 URL: https://www.mapple.co.jp/
Representative: Shigeo Kuroda, President & Representative Director
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Scheduled date of Annual General Meeting of Shareholders: June 27, 2019
Scheduled date of payment of dividend: -
Scheduled date of filing of Annual Securities Report: June 27, 2019
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, 2019 (April 1, 2018 – March 31, 2019)

(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, 2019	8,770	(4.2)	(655)	-	(590)	-	(1,815)	-
Fiscal year ended Mar. 31, 2018	9,158	(11.2)	(1,060)	-	(1,018)	-	(1,768)	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2019: (1,961) (- %)
Fiscal year ended Mar. 31, 2018: (1,618) (- %)

	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, 2019	(99.85)	-	(11.1)	(2.8)	(7.5)
Fiscal year ended Mar. 31, 2018	(97.28)	-	(9.5)	(4.4)	(11.6)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2019: (4) Fiscal year ended Mar. 31, 2018: (31)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2019	19,695	15,286	77.5	839.57
As of Mar. 31, 2018	22,188	17,612	79.3	967.47

Reference: Shareholders' equity (million yen) As of Mar. 31, 2019: 15,261 As of Mar. 31, 2018: 17,586

(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, 2019	(589)	(322)	(364)	5,845
Fiscal year ended Mar. 31, 2018	(646)	238	(363)	7,132

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, 2018	-	0.00	-	20.00	20.00	363	-	2.0
Fiscal year ended Mar. 31, 2019	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending Mar. 31, 2020 (forecasts)	-	0.00	-	-	-		-	

Note: The most recently announced year-end dividend forecast for the fiscal year ended March 31, 2019 was revised. Please refer to the press release "Announcement for dividends of surplus and revision of dividend forecast (dividend suspension)" announced today. (Japanese version only). There is currently no forecast for the year-end dividend for the fiscal year ending March 31, 2020. An announcement will be made promptly once it becomes possible to disclose a dividend forecast. Please refer to "1. Overview of Results of Operations, (5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years" on page 6 for further details.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(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	4,110	94.0	(400)	-	(350)	-	(350)	-	(19.25)
Full year	9,070	103.4	120	-	210	-	200	-	11.00

*** 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: Yes

3) Changes in accounting estimates: None

4) Restatements: None

Note: Please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Change in Accounting Policy” on page 14 of the attachments for further information.

(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, 2019:	18,178,173 shares	As of Mar. 31, 2018:	18,178,173 shares

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

As of Mar. 31, 2019:	401 shares	As of Mar. 31, 2018:	300 shares

3) Average number of shares during the period

Fiscal year ended Mar. 31, 2019:	18,177,814 shares	Fiscal year ended Mar. 31, 2018:	18,177,986 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(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, 2019	8,483	(5.5)	(570)	-	(452)	-	(1,790)	-
Fiscal year ended Mar. 31, 2018	8,973	(7.3)	(1,039)	-	(902)	-	(1,616)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2019	(98.52)	-
Fiscal year ended Mar. 31, 2018	(88.94)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2019	19,186	14,960	77.8	821.59
As of Mar. 31, 2018	21,595	17,234	79.7	946.65

Reference: Shareholders’ equity (million yen) As of Mar. 31, 2019: 14,934 As of Mar. 31, 2018: 17,208

* 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 5 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 June 4, 2019. Materials to be distributed at this event will be available on the Company’s website immediately thereafter.

Contents of Attachments

1. Overview of Results of Operations

(1) Results of Operations

Looking back at the Japanese economy in the fiscal year ended on March 31, 2019 (from April 1, 2018 to March 31, 2019) (hereinafter, "the current fiscal year"), we saw current export and production impacted by the slowdown of the overseas economies that was triggered by the recent protectionist trade policies. Meanwhile, in terms of the domestic demand, capital investment maintained a growth trend amid continued favorable corporate earnings and business sentiment overall, and personal consumption showed an unstable, yet moderate growth, supported by steady improvement in employment and personal income.

Against this backdrop, the Shobunsha Publications Group (hereinafter "the Group") continued its efforts to centralize database production in a subsidiary for improving efficiency and strengthening the operating structure, and also to implement measures for reducing returned publications under a new organizational structure following the structural business reforms carried out in the previous fiscal year. We also have redefined the behavior of tourists, our major target customers, as "Tabimae" (before traveling), "Tabinaka" (during traveling) and "Tabiato" (after traveling) as part of our initiatives since the previous fiscal year. In the Tabimae business, in April we published "COLOR+," a new travel guidebook series with a concept of "Find something new, different from usual," and in June published "Cities Tokyo," a practical book designed as a map picture book that we have never published before. In November we published another totally new concept travel guidebook in cooperation with SCRAP Entertainment, Inc., a planner and operator of real-life escape games. As the title "A guidebook that helps you make your own drama" suggests, it is a workbook-style travel guide that prompts you to write your experiences proposed in the book while traveling aboard. Furthermore, *Otona no Chiisana Tabi* (Small Trip for Adults)," surpassed one million copies in March 2019 in the cumulative circulation number since the first edition was issued in March 2016, enjoying a status of a long-lasting popular guidebook series.

In the Tabinaka business, we have started since June the distribution of the location-based advertising service named "Tourist Targeting Ad" for tourists who use "Mapple link" during their stay at travel destinations at a free e-book app "Mapple link" that is attached to our tourist guidebooks. ("Mapple link" surpassed 15 million cumulative downloads in Spring 2019.) Furthermore, in June the Company acquired 100% of shares of Kuqulu, Inc. from its shareholders. While its main business is a call center operation to support our Tabinaka business, now it covers not only the Tabinaka business but also a wide variety of our businesses. Moreover, as part of the efforts to expand the scope of Tabinaka services, we increased the service areas for the "MAPPLE Activities" and "TAYLOR" businesses, which are local optional tour reservation and sales agency services. As a result, as of the end of September, we have an expanded area coverage for both services with 32 areas and 126 cities or regions in the world. Further in September, as a new attempt of the Tabinaka business, we established GUAM OCEAN PARK CORPORATION, a local subsidiary in Guam that provides marine activity services as an organizer. In October, as one of the initiatives for encouraging the users to utilize our services, we formed an alliance with All Nippon Airways Co., Ltd. (ANA). Under this alliance, restaurant reservation service for overseas travelers, named "GURUYAKU", has launched and the ANA Mileage Mall started to offer extra mileage in reward for making a reservation through "GURUYAKU." In December we started a collaboration with JCB Co., Ltd. so that JCB can offer a discount to their customers on charges paid by a JCB card for booking restaurant through "GURUYAKU" and for optional tours through "MAPPLE Activities," which is an agency service for booking and selling of optional tours overseas. In February, "MAPPLE Activities" started providing a service through a tie-up with the d POINT CLUB of NTT DOCOMO, Inc., where "d Points" can be earned and used by those who book optional tours and activities in Hawaii. Such service has never been provided before.

We also focus on services of providing information related to daily life and hobbies and community contribution, which can enrich people's lifestyle. In October, we set up a new business through which we can contribute to regional communities. Specifically, we obtained cooperation from Japan Post Co., Ltd. Kanto Region Office to launch a location information notification service for people who get lost or get into trouble, named "OKAERI (Welcome back) QR". The service can be provided simply by putting a sticker with a printed QR code on the clothing of those people. Then in case of them getting lost or getting into trouble, a person who find and help them can inform their family or caretakers of where they are by using a smartphone app to read the QR code. In February, we started selling this service through the sales page dedicated for Amazon's products and services operated by Amazon Japan G.K., and in March, through the sales page dedicated for Rakuten Ichiba's products and services operated by Rakuten, Inc., respectively. With the start of these online sales, the service has become available for purchase at anytime, anywhere. In November, we held a large event to mark the 10th anniversary of "co-Trip" publication. On the theme of "Nice and pretty things in Japan", we hosted "co-Trip Tabisuru (Traveling) Marché", — a large-scale market event where visitors can enjoy visiting shops from all over Japan that are introduced on the books and website of "co-Trip" or recommended by the editors. In March, we held a collaboration café and workshops operated for a limited period to express our gratitude to the readers. Again in March, taking an opportunity of entering new imperial era of "Reiwa," we published "Heiseibon" (Heisei album) as a graduation album for all of us, giving an opportunity for looking back over the 30 years of "Heisei" era with nostalgia as well as for putting a clear ending toward the new era.

Concerning the results for the current fiscal year, e-business sales decreased 50 million yen from one year earlier to 2,269 million yen, ceasing to fall despite a decrease in sales associated with portable navigation devices (PND) caused by the continuing effects of free GPS navigation apps and a decline in sales of digital maps due to free map services. In the retail publishing business, the cost of returned publications decreased by 456 million yen from one year earlier because we continued the rigorous management of inventories at stores in order to reduce publication returns, which are a major cause of the decline in the performance of this business. Sales of guidebooks and practical books were higher than the previous fiscal year due to the launch of the new series of travel guidebooks and the new title of practical book as mentioned above during the current fiscal year. Despite that, overall sales of the business decreased, because sales of maps were down from one year earlier and the new series of magazines was already released in the previous fiscal year. As a result, sales of the retail publishing business decreased 379 million yen from one year earlier to 4,992 million yen. Advertising income decreased 94 million yen from one year earlier to 676 million yen in line with a decrease in the number of magazines that take advertisement. Meanwhile, fee income increased 137 million yen from one year earlier to 209 million yen due to the newly recognized sales from the call center business engaged by Kuqulu, Inc. that we acquired as mentioned earlier and the strong growth of income of the Tabinaka business, among other reasons. Overall, consolidated sales for the current fiscal year decreased 388 million yen (4.2%) from one year earlier to 8,770 million yen.

In terms of profitability, a year-on-year decrease in cost of sales exceeded a year-on-year decline in sales due to a year-on-year decrease in provision for sales returns, net of 56 million yen and the ongoing improvement in efficiency through the structural business reforms. Regarding selling, general and administrative (SG&A) expenses, despite decreases in advertising expenses, research and development expenses and business consignment expenses through cost-cutting measures, SG&A expenses increased 103 million yen from one year earlier mainly due to a 95 million yen increase in salaries and bonuses caused by the increased number of consolidated subsidiaries home and abroad, a 68 million yen increase in provision of allowance for doubtful accounts due to customer bankruptcy, a 36 million yen increase in repair expenses and amortization of goodwill of 14 million yen. Consequently, operating loss improved by 405 million yen from 1,060 million yen one year earlier to 655 million yen. Ordinary loss also improved by 427 million yen from 1,018 million yen to 590 million yen.

It is noted that, as announced in "Notice of revisions to earnings forecasts" (Japanese version only) on October 30, 2018, we recorded 54 million yen of gain on liquidation of investment securities as an extraordinary income following the liquidation of Avenry, Inc., our investee company. It is also noted that, as announced in "Notice of implementation of the voluntary early retirement program and revisions to earnings forecasts" (Japanese version only) on December 13, 2018, we recorded 413 million yen of special retirement allowances as extraordinary losses as we announced the program to further proceed with our structural reform and subsequently received 96 entries for the program.

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, 2020. As such, 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 751 million yen was posted as an extraordinary loss. The major breakdown of the impairment loss is as follows: 538 million yen due to revaluation of land, 163 million yen for software, and 14 million yen for machinery, equipment and vehicles.

Consequently, loss attributable to owners of parent was 1,815 million yen (compared with loss attributable to owners of parent of 1,768 million yen in the previous fiscal year).

Sales results (Millions of yen)

Category	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	YoY change (%)
Retail publishing			
Maps	1,787	1,500	84.0
Magazines	2,804	2,658	94.8
Guidebooks	666	677	101.5
Practical books	113	156	138.0
Subtotal	5,372	4,992	92.9
Special-order products	624	622	99.7
Advertising income	770	676	87.8
e-business sales	2,319	2,269	97.8
Fees and commissions	72	209	289.2
Total	9,158	8,770	95.8

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

(2) Financial Position

Total assets decreased 2,492 million yen (11.2%) from the end of the previous fiscal year to 19,695 million yen at the end of the current fiscal year. The major negative factors were decreases in cash and deposits of 1,284 million yen, notes and accounts receivable-trade of 201 million yen, merchandise and finished goods of 170 million yen, work in process of 96 million yen, buildings and structures, net of 129 million yen, land of 599 million yen, investment securities of 136 million yen, and other in the investments and other assets section of 294 million yen. On the other hand, the major positive factors were an increase in goodwill of 179 million yen and a decrease in allowance for doubtful accounts of 318 million yen. Total liabilities decreased 167 million yen (3.7%) from the end of the previous fiscal year to 4,408 million yen. The major negative factors are decreases in notes and accounts payable-trade of 157 million yen, accrued consumption taxes of 14 million yen, provision for bonuses of 88 million yen, provision for sales returns of 124 million yen, deferred tax liabilities of 17 million yen, net defined benefit liability of 31 million yen, and other in the non-current liabilities section of 31 million yen while the major positive factors are increases in accrued expenses of 285 million yen and other in the current liabilities section of 24 million yen. Net assets decreased 2,325 million yen (13.2%) from the end of the previous fiscal year to 15,286 million yen. This was mainly due to a decrease in capital surplus of 4,622 million yen, which was partly offset by an increase in retained earnings of 2,443 million yen. Regarding the change in net assets, we reported a loss attributable to owners of parent and paid dividends out of capital surplus. Additionally, in accordance with the resolution made at the Annual General Meeting of Shareholders held on June 28, 2018, we reduced capital surplus by 4,259 million yen and transferred the entire amount to retained earnings brought forward to offset the accumulated deficit.

Consequently, the equity ratio deteriorated by 1.8 percentage points to 77.5%.

(3) Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the current fiscal year decreased 1,286 million yen from one year earlier to 5,845 million yen on a consolidated basis with net cash used in operating activities of 589 million yen, net cash used in investing activities of 322 million yen, and net cash used in financing activities of 364 million yen.

Cash flows by category are described as follows.

Net cash used in operating activities was 589 million yen. The major positive factors were depreciation and amortization of 150 million yen, impairment loss of 751 million yen, special retirement allowances of 413 million yen, a 214 million yen decrease in notes and accounts receivable-trade, a 266 million yen decrease in inventories, a 306 million yen decrease in other non-current assets, a 120 million yen increase in other current liabilities. The major negative factors were gain on liquidation of investment securities of 54 million yen, a 295 million yen decrease in allowance for doubtful accounts, a 63 million yen decrease in net defined benefit asset, an 88 million yen decrease in provision for bonuses, a 124 million yen decrease in provision for sales returns, a 157 million yen decrease in notes and accounts payable-trade, and payments of cancellation penalty of 232 million yen as well as loss before income taxes of 1,771 million yen.

Net cash used in investing activities was 322 million yen. The major positive factor was proceeds from liquidation of investment securities of 80 million yen while the major negative factors were purchase of property, plant and equipment of 47 million yen, purchase of intangible assets of 182 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 195 million yen.

Net cash used in financing activities was 364 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, implemented in-house production of previously outsourced works, and consolidated the operations of database production into a subsidiary, though we are suffering from the continued major impacts of the changing operational environment surrounding us, including the lingering recession in publication business and the growth in the use of free-of-charge navigation apps, in our core businesses: publishing business and e-business. As a countermeasure to the situation, we have implemented the voluntary early retirement program for the employees with assumed entries of around 80 (and actual entries of 96 as announced on March 7, 2019) and subsequently reported a substantial loss that includes an extraordinary loss associated with the program.

Considering the situation, we have already redefined behavior of users of our main products and services as “Tabimae” (before traveling), “Tabinaka” (during traveling) and “Tabiato” (after traveling). Besides, to counteract the challenging situation with innovative and open-ended way of thinking and acting, we reorganize the existing three-business division system into an updated three-business division system: media business division, solution business division, and global business division. Media business division offers information and services of interest in line with users’ needs through publications and digital media such as websites and apps, incorporating users’ perspective and removing traditional conceptual framework of business such as paper vs. digital, on the Internet vs. in the real world, and existing vs. non-existing. Solution business division offers solution services utilizing digital data for businesses and municipalities regardless of, or beyond the differences of, kinds of media and whether on the Internet or in the real world. Global business division offers services in line with travel-related needs from around the world, not only sending travelers to destinations by providing information on the internet but offering actual activities at destinations irrespective of domestic or overseas.

For the next fiscal year, we expect net sales of 9,070 million yen (up 3.4% year on year) with operating profit of 120 million yen, ordinary profit of 210 million yen, and profit attributable to owners of parent of 200 million yen.

It is noted that these forecasts are based on information that is currently available and on assumptions that we believe are reasonable. However actual results may differ significantly from these forecasts for a number of factors. A revised forecast will be announced promptly if we subsequently expect that our performance will 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, from the current fiscal year and thereafter for some time, we will maintain a policy to pay dividends from retained earnings in consideration of the fundamental purpose of dividends.

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.

We have announced dividend forecast of 5 yen per share for the current period. However, we reported a loss far exceeding our forecast announced on February 7, 2019. Also, retained earnings went into a negative amount to a degree that far exceeded the forecast at that time. Consequently, it is most regrettable to announce that we are not able to distribute dividends for the current fiscal year.

We sincerely apologize to our shareholders for the situation. We will make every effort to resume dividend payment in the near future, and also, we would like to ask for continued support.

Regarding year-end dividends for the next fiscal year, we basically plan to pay dividends from retained earnings, based on the earnings for the fiscal year ending March 31, 2020, under the assumption that the deficit in retained earnings should be offset by a portion of capital surplus subject to a resolution at the General Meeting of Shareholders. As future changes in the operating environment surrounding us could greatly affect earnings forecasts for the next fiscal year, further details are undecided at this point. We will make an announcement as soon as forecasts are provided after giving comprehensive consideration to relevant factors including our dividend policy, future impact on earnings of the operating environment surrounding us, and financial soundness.

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)

	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits	7,132,362	5,847,544
Notes and accounts receivable-trade	2,924,247	2,722,415
Merchandise and finished goods	1,796,127	1,625,858
Work in process	328,711	232,062
Raw materials and supplies	645	668
Other	196,314	141,927
Allowance for doubtful accounts	(287)	(22,682)
Total current assets	12,378,121	10,547,794
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,404,971	7,299,205
Accumulated depreciation	(5,230,982)	(5,254,823)
Buildings and structures, net	2,173,989	2,044,382
Machinery, equipment and vehicles	456,820	440,714
Accumulated depreciation	(448,654)	(433,687)
Machinery, equipment and vehicles, net	8,165	7,026
Tools, furniture and fixtures	752,134	732,860
Accumulated depreciation	(751,168)	(728,189)
Tools, furniture and fixtures, net	965	4,671
Land	4,213,950	3,614,234
Construction in progress	-	3,446
Total property, plant and equipment	6,397,071	5,673,761
Intangible assets		
Goodwill	-	179,804
Other	-	1,774
Total intangible assets	-	181,578
Investments and other assets		
Investment securities	* 1,880,312	* 1,744,269
Net defined benefit asset	1,355,548	1,346,949
Other	* 698,837	* 404,537
Allowance for doubtful accounts	(521,559)	(203,526)
Total investments and other assets	3,413,138	3,292,230
Total non-current assets	9,810,210	9,147,571
Total assets	22,188,332	19,695,365

(Thousands of yen)

	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	998,012	840,961
Short-term loans payable	770,000	770,000
Accrued expenses	544,502	829,700
Income taxes payable	87,799	76,058
Accrued consumption taxes	72,938	57,965
Provision for bonuses	350,380	261,940
Provision for sales returns	721,871	597,652
Other	163,258	187,997
Total current liabilities	3,708,761	3,622,276
Non-current liabilities		
Deferred tax liabilities	548,619	531,374
Net defined benefit liability	101,201	69,275
Other	217,042	185,642
Total non-current liabilities	866,862	786,291
Total liabilities	4,575,624	4,408,568
Net assets		
Shareholders’ equity		
Capital stock	10,141,136	10,141,136
Capital surplus	10,581,938	5,959,300
Retained earnings	(3,894,606)	(1,450,645)
Treasury shares	(220)	(288)
Total shareholders’ equity	16,828,247	14,649,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	744,447	625,532
Foreign currency translation adjustment	4,270	(6,030)
Remeasurements of defined benefit plans	9,602	(7,555)
Total accumulated other comprehensive income	758,320	611,946
Share acquisition rights	26,140	25,348
Total net assets	17,612,708	15,286,797
Total liabilities and net assets	22,188,332	19,695,365

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Net sales	9,158,456	8,770,072
Cost of sales	7,093,279	6,252,536
Gross profit	2,065,176	2,517,536
Reversal of provision for sales returns	789,746	721,871
Provision for sales returns	721,871	597,652
Provision for sales returns-net	(67,875)	(124,219)
Gross profit-net	2,133,051	2,641,755
Selling, general and administrative expenses	*1 *2 3,193,938	*1 *2 3,297,628
Operating loss	(1,060,886)	(655,873)
Non-operating income		
Interest income	1,168	749
Dividend income	35,233	33,090
Rent income	38,539	38,254
Dividend income of insurance	4,009	3,760
Income from sales of used paper	13,225	10,104
Gain on investments in partnership	11,525	10,796
Other	8,825	6,147
Total non-operating income	112,527	102,903
Non-operating expenses		
Interest expenses	11,454	11,296
Share issuance cost	1,700	-
Cost of lease revenue	24,386	18,766
Share of loss of entities accounted for using equity method	31,849	4,650
Other	441	2,855
Total non-operating expenses	69,831	37,569
Ordinary loss	(1,018,190)	(590,539)
Extraordinary income		
Gain on sales of non-current assets	*3 1,136	*3 1,543
Gain on sales of investment securities	-	0
Gain on liquidation of investment securities	-	54,993
Gain on transfer of business	1,628	-
Total extraordinary income	2,764	56,538
Extraordinary losses		
Loss on sales of non-current assets	-	*4 21,811
Loss on retirement of non-current assets	*5 3,424	-
Loss on sales of investment securities	1,333	-
Loss on valuation of investment securities	8,589	3,610
Loss on valuation of membership	6,080	165
Loss on change in equity	117,524	-
Impairment loss	*6 344,086	*6 751,579
Cancellation penalty	*7 232,143	-
Special retirement expenses	-	413,246
Loss on abolishment of retirement benefit plan	-	47,083
Total extraordinary losses	713,182	1,237,496
Loss before income taxes	(1,728,608)	(1,771,496)
Income taxes-current	35,677	38,683
Income taxes-deferred	4,056	4,939
Total income taxes	39,733	43,623
Loss	(1,768,342)	(1,815,120)
Loss attributable to owners of parent	(1,768,342)	(1,815,120)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Loss	(1,768,342)	(1,815,120)
Other comprehensive income		
Valuation difference on available-for-sale securities	50,491	(118,914)
Foreign currency translation adjustment	4,270	(10,300)
Remeasurements of defined benefit plans, net of tax	95,368	(17,158)
Total other comprehensive income	* 150,129	* (146,373)
Comprehensive income	(1,618,212)	(1,961,493)
Comprehensive income attributable to:		
Owners of parent	(1,618,212)	(1,961,493)
Non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(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	10,581,938	(3,894,606)	(220)	16,828,247
Changes of items during period					
Deficit disposition		(4,259,081)	4,259,081		-
Dividends of surplus		(363,557)			(363,557)
Loss attributable to owners of parent			(1,815,120)		(1,815,120)
Purchase of treasury shares				(67)	(67)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(4,622,638)	2,443,960	(67)	(2,178,745)
Balance at end of current period	10,141,136	5,959,300	(1,450,645)	(288)	14,649,502

	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	744,447	4,270	9,602	758,320	26,140	17,612,708
Changes of items during period						
Deficit disposition						-
Dividends of surplus						(363,557)
Loss attributable to owners of parent						(1,815,120)
Purchase of treasury shares						(67)
Net changes of items other than shareholders' equity	(118,914)	(10,300)	(17,158)	(146,373)	(792)	(147,165)
Total changes of items during period	(118,914)	(10,300)	(17,158)	(146,373)	(792)	(2,325,910)
Balance at end of current period	625,532	(6,030)	(7,555)	611,946	25,348	15,286,797

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Cash flows from operating activities		
Loss before income taxes	(1,728,608)	(1,771,496)
Depreciation and amortization	153,083	150,334
Loss (gain) on valuation of short-term and long-term investment securities	8,589	3,610
Loss (gain) on liquidation of investment securities	-	(54,993)
Loss (gain) on change in equity	117,524	-
Impairment loss	344,086	751,579
Cancellation penalty	232,143	-
Extra retirement payment	-	413,246
Loss on abolishment of retirement benefit plan	-	47,083
Share of loss (profit) of entities accounted for using equity method	31,849	4,650
Loss on valuation of membership	-	165
Increase (decrease) in allowance for doubtful accounts	(2,178)	(295,637)
Increase (decrease) in net defined benefit liability	7,593	(31,925)
Decrease (increase) in net defined benefit asset	(15,459)	(63,215)
Increase (decrease) in provision for bonuses	(343,852)	(88,439)
Increase (decrease) in provision for sales returns	(67,875)	(124,219)
Interest and dividend income	(36,401)	(33,839)
Rent income	(38,539)	(38,254)
Interest expenses	11,454	11,296
Decrease (increase) in notes and accounts receivable-trade	496,967	214,911
Decrease (increase) in inventories	326,750	266,895
Decrease (increase) in other current assets	61,985	40,107
Decrease (increase) in other non-current assets	13,310	306,532
Increase (decrease) in notes and accounts payable-trade	(66,959)	(157,050)
Increase (decrease) in accrued consumption taxes	55,495	(16,396)
Increase (decrease) in other current liabilities	(208,386)	120,654
Increase (decrease) in other non-current liabilities	(36,950)	(31,400)
Subtotal	(684,375)	(375,801)
Interest and dividend income received	36,373	33,872
Proceeds from rent income	39,240	38,254
Interest expenses paid	(11,423)	(11,265)
Payments of cancellation penalty	-	(232,143)
Income taxes paid	(26,640)	(42,236)
Net cash provided by (used in) operating activities	(646,825)	(589,319)
Cash flows from investing activities		
Payments into time deposits	-	(1,629)
Proceeds from redemption of securities	500,000	-
Purchase of property, plant and equipment	(79,294)	(47,951)
Proceeds from sales of property, plant and equipment	1,096	48,912
Purchase of intangible assets	(299,385)	(182,785)
Proceeds from redemption of investment securities	100,000	-
Purchase of investment securities	(17,795)	(43,538)
Proceeds from sales of investment securities	8,667	1
Proceeds from liquidation of investment securities	-	80,184
Payments of loans receivable	-	(7,628)
Payments of long-term loans receivable from employees	(7,000)	-
Collection of loans receivable	3,145	3,925
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(195,320)
Other, net	29,528	23,410
Net cash provided by (used in) investing activities	238,962	(322,422)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-	(874)
Purchase of treasury shares	(220)	(67)
Cash dividends paid	(363,754)	(363,712)
Net cash provided by (used in) financing activities	(363,975)	(364,654)
Effect of exchange rate change on cash and cash equivalents	4,270	(10,051)
Net increase (decrease) in cash and cash equivalents	(767,568)	(1,286,447)
Cash and cash equivalents at beginning of period	7,899,931	7,132,362
Cash and cash equivalents at end of period	* 7,132,362	* 5,845,914

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Change in Accounting Policy

Application of Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Considerations, with Vesting Conditions, etc.

Effective April 1, 2018, the Company has applied the Application of Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Considerations, with Vesting Conditions (Practical Issues Task Force (PITF) No. 36, January 12, 2018; hereinafter, "PITF No. 36"), etc. Accordingly, transactions granting employees and others share acquisition rights, which involve considerations, with vesting conditions are accounted for in accordance with the Accounting Standard for Share-based Payment (Accounting Standards Board of Japan (ASBJ) Statement No. 8, December 27, 2005).

However, PITF No. 36 can be applied in accordance with the transitional provisions set forth in PITF No. 36, Paragraph 10 (3). Accordingly, the Company continues applying the previously used accounting treatment to the transactions in which the Company granted its employees and others share acquisitions rights, which involve considerations, with vesting conditions on the dates prior to the effective date of PITF No. 36.

Notes to Consolidated Balance Sheet

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

(Thousands of yen)

	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Investment securities (stocks)	4,656	6
Investments and other assets, other (investments in capital)	19,000	19,000
Total	23,656	19,006

Notes to Consolidated Statement of Income

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

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Packing and delivery expenses	143,099	141,306
Promotion expenses	86,866	85,987
Advertising expenses	109,128	89,328
Provision of allowance for doubtful accounts	(1,441)	67,167
Directors' compensations	149,723	153,052
Salaries, allowances and bonuses	1,128,041	1,223,057
Provision for bonuses	166,686	119,486
Legal welfare expenses	205,691	215,125
Retirement benefit expenses	65,705	36,321
Transportation expenses	145,846	149,336
Depreciation	88,512	86,643
Rent expenses	55,674	48,996
Business consignment expenses	141,520	122,291
Taxes and dues	54,652	60,541
Research and development expenses	41,634	14,779
Amortization of goodwill	-	14,578
Other	612,594	669,628
Total	3,193,938	3,297,628

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

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
	41,634	14,779

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

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Machinery, equipment and vehicles	1,099	1,464
Tools, furniture and fixtures	37	79
Total	1,136	1,543

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

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Land	-	21,811

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

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Buildings and structures	3,424	-
Tools, furniture and fixtures	-	-
Software	-	-
Total	3,424	-

*6. Impairment loss

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

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.

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

Primary use	Class	Location
Operating assets	Land	Koto-ku, Tokyo; Kazo, Saitama Prefecture
Operating assets	Buildings and structures	Hawaii, USA
Operating assets	Machinery, equipment and vehicles	Chiyoda-ku, Tokyo; Osaka, Osaka Prefecture
Operating assets	Tools, furniture and fixtures	Chiyoda-ku, Tokyo; Koto-ku, Tokyo; Adachi-ku, Tokyo; Osaka, Osaka Prefecture; Shinjuku-ku, Tokyo; Ichihara, Chiba Prefecture; Hawaii, USA; Guam, USA; Republic of Singapore
Operating assets	Database	Koto-ku, Tokyo
Operating assets	Software	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, the Group implemented the voluntary early retirement program to optimize its personnel structure to be consistent with the business strategy, in order to accelerate recovery of performance. However, the retirees by the above voluntary early retirement program resulted in temporary shortage of workforce in short-term business activities towards the end of the current period, including sales of retail publications and other orders received at the end of the fiscal year, among other reasons. As a result, we have recorded a substantial amount of loss for the current fiscal year.

Further, the business environment is likely to remain severe for the next period. Therefore, 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	
Land	538,426
Buildings and structures	12,163
Machinery, equipment and vehicles	14,597
Tools, furniture and fixtures	14,324
Intangible assets	
Database	8,851
Software and other	163,215
Total	751,579

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.

*7. The detail of cancellation penalty is as follows.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

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 was posted.

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

Not applicable.

Notes to Consolidated Statement of Comprehensive Income

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

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Valuation difference on available-for-sale securities:		
Amount incurred during the period	59,727	(133,526)
Before tax effect adjustments	59,727	(133,526)
Tax effect	(9,236)	14,611
Valuation difference on available-for-sale securities	50,491	(118,914)
Foreign currency translation adjustment:		
Amount incurred during the period	4,270	(10,300)
Remeasurements of defined benefit plans, net of tax:		
Amount incurred during the period	91,843	(26,307)
Reclassification adjustments	45,614	1,576
Before tax effect adjustments	137,458	(24,730)
Tax effect	(42,089)	7,572
Remeasurements of defined benefit plans, net of tax	95,368	(17,158)
Total other comprehensive income	150,129	(146,373)

Notes to Consolidated Statement of Changes in Equity

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

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

	Number of shares as of Apr. 1, 2018	Increase	Decrease	Number of shares as of Mar. 31, 2019
Outstanding shares				
Common stock	18,178	-	-	18,178
Total	18,178	-	-	18,178
Treasury shares				
Common stock (Note 1)	0	0	-	0
Total	0	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, 2019 (Thousands of yen)
			As of Apr. 1, 2018	Increase	Decrease	As of Mar. 31, 2019	
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)	-	-	-	-	-	19,005
Total		-	-	-	-	-	25,348

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. 28, 2018	Common stock	363,557	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)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Cash and deposits	7,132,362	5,847,544
Time deposits with maturity over three months	-	(1,629)
Cash and cash equivalents	7,132,362	5,845,914

*2 Material non-cash transactions

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

There are no significant items.

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

There are no significant items.

Segment and Other Information

Segment information

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Omitted since the Group has only a single business segment.

Related information

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

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

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

Category		Sales to external customers
Retail publishing	Maps	1,500,818
	Magazines	2,658,443
	Guidebooks	677,075
	Practical books	156,441
Subtotal		4,992,779
Special-order products		622,100
Advertising		676,147
e-business sales		2,269,405
Fees and commissions		209,639
Total		8,770,072

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.	2,452,856
TOHAN CORPORATION	1,824,844

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)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Net assets per share	967.47	839.57
Net loss per share	(97.28)	(99.85)

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.

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Net loss per share		
Loss attributable to owners of parent (Thousands of yen)	(1,768,342)	(1,815,120)
Amount not available to common shareholders (Thousands of yen)	-	-
Loss attributable to common shareholders of parent (Thousands of yen)	(1,768,342)	(1,815,120)
Average number of shares outstanding during period (Thousands of shares)	18,177	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: 7,919 units) The outline of the share acquisition rights is disclosed in "Part IV Status of Filing Company, 1. Status of Shares, etc., (2) Status of Share Acquisition Rights, etc." of Securities Report.	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: 7,602 units) The outline of the share acquisition rights is disclosed in "Part IV Status of Filing Company, 1. Status of Shares, etc., (2) Status of Share Acquisition Rights, etc." of Securities Report.

Subsequent Events

Not applicable.