

Dear Sirs:

Company Name: Shobunsha Holdings, Inc.  
 Representative: Shigeo Kuroda,  
 President & Representative Director  
 Stock Code: 9475 (Tokyo Stock Exchange, First Section)  
 Contact: Hiroyuki Kato, Director, General Manager,  
 Business Administration Division  
 Telephone: +81-3-3556-8171

**(Numerical and Other Corrections)**  
**Announcement of Partial Corrections to Summary of Consolidated Financial Results for the**  
**Fiscal Year Ended March 31, 2020 [Japanese GAAP]**

Shobunsha Holdings, Inc. has made the following partial corrections to Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japanese GAAP] announced on May 15, 2020. In addition, the revised numerical data is provided to reflect these corrections.

**1. Reason for and detail of corrections**

In the preparation of the Annual Securities Report, errors were found in the consolidated statements of cash flows for the fiscal year ended March 31, 2020. Shobunsha Holdings revises the summary information and the attached documents of the Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japanese GAAP]. These corrections have no effect on the consolidated results of operations and financial position.

**2. Corrections**

Sections that have been corrected are underlined.

<Summary information>

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)**

(3) Consolidated cash flows

[Before corrections]

	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, 2020	<u>(523)</u>	<u>(349)</u>	<u>(1)</u>	4,970
Fiscal year ended Mar. 31, 2019	(589)	(322)	(364)	5,845

[After corrections]

	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, 2020	<u>(540)</u>	<u>(332)</u>	<u>(0)</u>	4,970
Fiscal year ended Mar. 31, 2019	(589)	(322)	(364)	5,845

<Attachment page 4>

## 1. Overview of Results of Operations

### (3) Cash flows

[Before corrections]

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year on a consolidated basis decreased 875 million yen from the end of the previous fiscal year to 4,970 million yen. Cash flows by category are described as follows.

Net cash used in operating activities was 523 million yen. The main cash outflow factors were a 39 million yen decrease in allowance for doubtful accounts, a 39 million yen increase in retirement benefit asset, interest and dividend income of 35 million yen, a 137 million yen increase in inventories, a 148 million yen increase in other non-current assets, a 123 million yen decrease in trade payables, a 172 million yen decrease in other current liabilities, and extra retirement payments of 413 million yen. These factors were partially offset by cash inflow factors such as depreciation and amortization of 163 million yen and a 257 million yen decrease in trade receivables on top of the reporting of profit before income taxes of 166 million yen.

Net cash used in investing activities was 348 million yen. The main cash outflow factors include purchase of property, plant and equipment of 157 million yen; purchase of intangible assets of 274 million yen; purchase of investment securities of 93 million yen; and payments for acquisition of businesses of 81 million yen, which were partially offset by proceeds from sales of property, plant and equipment of 240 million yen.

Net cash used in financing activities was 1 million yen.

[After corrections]

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year on a consolidated basis decreased 875 million yen from the end of the previous fiscal year to 4,970 million yen. Cash flows by category are described as follows.

Net cash used in operating activities was 540 million yen. The main cash outflow factors were a 23 million yen decrease in allowance for doubtful accounts, a 39 million yen increase in retirement benefit asset, interest and dividend income of 35 million yen, a 137 million yen increase in inventories, a 161 million yen decrease in gain on sales of non-current assets, a 123 million yen decrease in trade payables, a 175 million yen decrease in other current liabilities, and extra retirement payments of 413 million yen. These factors were partially offset by cash inflow factors such as depreciation and amortization of 163 million yen and a 257 million yen decrease in trade receivables on top of the reporting of profit before income taxes of 166 million yen.

Net cash used in investing activities was 332 million yen. The main cash outflow factors include purchase of property, plant and equipment of 158 million yen; purchase of intangible assets of 272 million yen; purchase of investment securities of 61 million yen; and payments for acquisition of businesses of 81 million yen, which were partially offset by proceeds from sales of property, plant and equipment of 240 million yen.

Net cash used in financing activities was 0 million yen.

<Attachment page 14>

**(4) Consolidated Statement of Cash Flows**

[Before corrections]

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	(1,771,496)	166,172
Depreciation and amortization	150,334	163,103
Loss (gain) on valuation of short-term and long-term investment securities	3,610	17,989
Loss (gain) on liquidation of investment securities	(54,993)	-
Impairment loss	751,579	-
Loss on valuation of investments in capital of subsidiaries and affiliates	-	18,999
Gain on reversal of share acquisition rights	-	(25,348)
Extra retirement payments	413,246	-
Loss on abolishment of retirement benefit plan	47,083	-
Share of loss (profit) of entities accounted for using equity method	4,650	2,738
Loss (gain) on sales of membership	-	100
Loss on valuation of membership	165	105
Increase (decrease) in allowance for doubtful accounts	(295,637)	<u>(39,464)</u>
Increase (decrease) in retirement benefit liability	(31,925)	2,862
Decrease (increase) in retirement benefit asset	(63,215)	(39,074)
Increase (decrease) in provision for bonuses	(88,439)	(14,241)
Increase (decrease) in provision for sales returns	(124,219)	(19,755)
Interest and dividend income	(33,839)	(35,584)
Rental income	(38,254)	(29,389)
Interest expenses	11,296	10,408
Decrease (increase) in trade receivables	214,911	257,374
Decrease (increase) in inventories	266,895	(137,423)
Decrease (increase) in other current assets	40,107	<u>23,240</u>
Decrease (increase) in other non-current assets	<u>306,532</u>	<u>(148,398)</u>
Increase (decrease) in trade payables	(157,050)	(123,209)
Increase (decrease) in accrued consumption taxes	(16,396)	(16,303)
Increase (decrease) in other current liabilities	120,654	<u>(172,145)</u>
Increase (decrease) in other non-current liabilities	(31,400)	(1,342)
Subtotal	<u>(375,801)</u>	<u>(138,585)</u>
Interest and dividends received	33,872	35,593
Proceeds from rental income	38,254	27,856
Interest paid	(11,265)	(10,532)
Payments of cancellation penalty	(232,143)	-
Extra retirement payments	-	(413,246)
Income taxes paid	(42,236)	(24,870)
Net cash provided by (used in) operating activities	<u>(589,319)</u>	<u>(523,785)</u>
Cash flows from investing activities		
Payments into time deposits	(1,629)	(1,648)
Proceeds from withdrawal of time deposits	-	3,278
Purchase of property, plant and equipment	(47,951)	<u>(157,346)</u>
Proceeds from sales of property, plant and equipment	48,912	240,031
Purchase of intangible assets	(182,785)	<u>(274,195)</u>
Purchase of investment securities	(43,538)	<u>(93,177)</u>
Proceeds from sale of investment securities	1	7,230
Proceeds from liquidation of investment securities	80,184	-
Payments for acquisition of businesses	-	(81,560)
Loan advances	(7,628)	(4,050)
Collection of loans receivable	3,925	12,763
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (195,320)	*2 (60,243)
Other, net	23,410	<u>60,430</u>
Net cash provided by (used in) investing activities	<u>(322,422)</u>	<u>(348,487)</u>

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(874)	-
Purchase of treasury shares	(67)	(117)
Dividends paid	(363,712)	(1,236)
Net cash provided by (used in) financing activities	(364,654)	(1,353)
Effect of exchange rate change on cash and cash equivalents	(10,051)	(1,703)
Net increase (decrease) in cash and cash equivalents	(1,286,447)	(875,329)
Cash and cash equivalents at beginning of period	7,132,362	5,845,914
Cash and cash equivalents at end of period	*1 5,845,914	*1 4,970,584

[After corrections]

	(Thousands of yen)	
	FY3/19	FY3/20
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Loss (gain) on liquidation of investment securities	(54,993)	-
Impairment loss	751,579	-
Loss on valuation of investments in capital of subsidiaries and affiliates	-	18,999
<u>Gain on sales of non-current assets</u>	<u>(1,543)</u>	<u>(161,613)</u>
Gain on reversal of share acquisition rights	-	(25,348)
Extra retirement payments	413,246	-
Loss on abolishment of retirement benefit plan	47,083	-
Share of loss (profit) of entities accounted for using equity method	4,650	2,738
Loss (gain) on sales of membership	-	100
Loss on valuation of membership	165	105
Increase (decrease) in allowance for doubtful accounts	(295,637)	<u>(23,604)</u>
Increase (decrease) in retirement benefit liability	(31,925)	2,862
Decrease (increase) in retirement benefit asset	(63,215)	(39,074)
Increase (decrease) in provision for bonuses	(88,439)	(14,241)
Increase (decrease) in provision for sales returns	(124,219)	(19,755)
Interest and dividend income	(33,839)	(35,584)
Rental income	(38,254)	(29,389)
Interest expenses	11,296	10,408
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Decrease (increase) in other non-current assets	<u>308,075</u>	<u>(18,910)</u>
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Increase (decrease) in other current liabilities	120,654	<u>(175,607)</u>
Increase (decrease) in other non-current liabilities	(31,400)	(1,342)
Subtotal	<u>(375,801)</u>	<u>(155,607)</u>
Interest and dividends received	33,872	35,593
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Income taxes paid	(42,236)	(24,870)
Net cash provided by (used in) operating activities	<u>(589,319)</u>	<u>(540,807)</u>
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Proceeds from sales of property, plant and equipment	48,912	240,031
Purchase of intangible assets	(182,785)	<u>(272,624)</u>
Purchase of investment securities	(43,538)	<u>(61,061)</u>
Proceeds from sale of investment securities	1	7,230
Proceeds from liquidation of investment securities	80,184	-
Payments for acquisition of businesses	-	(81,560)
Loan advances	(7,628)	(4,050)
Collection of loans receivable	3,925	12,763
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (195,320)	*2 (60,243)
Other, net	23,410	<u>44,580</u>
Net cash provided by (used in) investing activities	<u>(322,422)</u>	<u>(332,131)</u>

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(874)	-
Purchase of treasury shares	(67)	(117)
Dividends paid	(363,712)	(570)
Net cash provided by (used in) financing activities	(364,654)	(688)
Effect of exchange rate change on cash and cash equivalents	(10,051)	(1,703)
Net increase (decrease) in cash and cash equivalents	(1,286,447)	(875,329)
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