November 6, 2020

Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2021 (Six Months Ended September 30, 2020)

[Japanese GAAP]

Company name: Shobunsha Holdings, Inc. Listing: Tokyo Stock Exchange, First Section
Stock code: 9475 URL: https://www.mapple.co.jp/
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Scheduled date of filing of Quarterly Report: November 12, 2020
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2020 (April 1, 2020 – September 30, 2020)

(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	%
Six months ended Sep. 30, 2020	3,298	(16.7)	(124)	-	(74)	-	(220)	-
Six months ended Sep. 30, 2019	3,958	(9.7)	(169)	-	(128)	-	(141)	-

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2020: 45 (- %)
Six months ended Sep. 30, 2019: (172) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2020	(12.12)	-
Six months ended Sep. 30, 2019	(7.78)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2020	18,563	15,258	82.2
As of Mar. 31, 2020	18,817	15,212	80.8

Reference: Shareholders' equity (million yen) As of Sep. 30, 2020: 15,258 As of Mar. 31, 2020: 15,212

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2021	-	0.00			
Fiscal year ending Mar. 31, 2021 (forecasts)			-	-	-

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

There is currently no forecast for the year-end dividend for the fiscal year ending March 31, 2021. An announcement will be made promptly once it becomes possible to disclose a dividend forecast.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,460	-	(1,020)	-	(960)	-	(1,190)	-	(65.47)

*** Notes**

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

Newly added: - Excluded: -

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

(3) Changes in accounting policies and accounting 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

(4) Number of issued shares (common stock)

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

As of Sep. 30, 2020:	18,178,173 shares	As of Mar. 31, 2020:	18,178,173 shares

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

As of Sep. 30, 2020:	801 shares	As of Mar. 31, 2020:	701 shares

3) Average number of shares during the period

Six months ended Sep. 30, 2020:	18,177,452 shares	Six months ended Sep. 30, 2019:	18,177,713 shares

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

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

Forward-looking statements in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 5 of the attachments for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

The Japanese economy during the first half of the current fiscal year (from April 1, 2020 to September 30, 2020) (hereinafter "the period under review") suffered from the novel coronavirus disease (hereinafter "COVID-19"), which was first confirmed in China at the end of last year and quickly became a global pandemic. This resulted in a rapid slowdown in the world economy, causing export and industrial production to decrease substantially, and corporate earnings to deteriorate significantly. Further, personal consumption decreased substantially centered in the service sector such as food/beverage and accommodation services. After the first wave of COVID-19 subsided, some signs of recovery were observed, but the second wave of it has spread since this summer, making us remain cautious about further spread. It is therefore expected to take quite some time until the domestic economy sees a full-scale recovery. In the tourism industry, in which Shobunsha Holdings, Inc. (hereinafter "the Company") and its subsidiaries and associates (hereinafter collectively "the Group") operate their core business, there is a steady increase in the number of people using the Go To Travel campaign that the Japanese government kicked off this summer; however, the reality is that travelers mainly go on short-distance road trips by car. For cross-border travel, the Japanese government started to ease entry restrictions on foreign nationals from some countries and regions for specific purposes only. However, given the very serious situation of the COVID-19 infection centered in Europe again, people are still not allowed to travel freely, making the inbound and outbound tourism industries remain very challenging.

Under such circumstances, the Group converted to a holding company structure as planned. In the meantime, the Group has prioritized taking even stricter cost control measures in all business domains and having as much liquidity as possible to brace ourselves for an economic slowdown resulting from the spread of COVID-19. Specific cost control measures include cutting cost by reviewing the planned numbers of titles and copies in the retail publishing business according to market needs; and curbing fixed expenses by limiting the number of staff members and daily operations to a bare minimum in overseas sites, especially in local activity facilities. The Group also proactively introduced a remote work system on a company-wide basis.

During the period under review, sales of our core retail publishing business have been greatly affected by significantly reduced travel and other outings after the declaration of the state of emergency effective from April to the end of May triggered by the spread of COVID-19, followed by the second wave of COVID-19 in the summer after the declaration was lifted, the Group's activity facilities overseas have suspended their operations; but we recognized transfer of non-current assets as sales revenue from the real estate business for the period under review. The transfer was announced on October 18, 2019 in association with the conversion to a holding company structure. As a results, net sales for the period under review were 3,298 million yen, down 660 million yen from 3,958 million yen one year earlier. In terms of profitability, operating loss was 124 million yen, improved 44 million yen from operating loss of 169 million yen one year earlier. This was a result of implementing thorough cost control in all business domains, a decrease in provision for sales returns due to lower sales, and recording revenue from the real estate business, whose cost of sales remains almost the same as the carrying amount. Accordingly, ordinary loss was 74 million yen, improved 54 million yen from ordinary loss of 128 million yen one year earlier. Consequently, loss attributable to owners of parent was 220 million yen, increased 78 million yen from loss attributable to owners of parent of 141 million yen one year earlier.

Taking the opportunity of the conversion to a holding company structure, the Group has disclosed segment information on its performance, starting from the current fiscal year. More specifically, the new segment structure consists of three reportable segments: the Media Business, the Solutions Business and the Real Estate Business segments, and the Other Businesses segment that covers businesses other than the above three. (Please note that no year-on-year figures are available because we have started to aggregate and announce figures from the current fiscal year.)

Media Business

This segment engages in selling retail publications, e-books, and applications; selling magazine and web ads; obtaining permission to use brands and trademarks on publications, etc. In the retail publishing business, given the current situation in which consumers' traveling and outings have been shrinking significantly, we have focused on plans that allow consumers to satisfy their intellectual curiosity and to enjoy imaginary trips at home. We have also focused on publications that introduce familiar desserts, consumer discretionary products, and other items. During the period under review, we published "*Chizu de Sutto Atama ni Hairu Sengoku Jidai*" (Quickly learn about the Warring States period with a map), the 4th volume of the "*Sutto Atama ni Hairu*" (Quickly learn) series well received by readers. The book allows readers to more enjoy dramas, movies, and novels about the Warring States period. As the 5th volume of the series, we published "*Chizu de Sutto Atama ni Hairu Kojiki and Nihon Shoki*" (Quickly learn about Records of Ancient Matters and Chronicles of Japan with a map) that allows readers to unravel the oldest and second-oldest books of Japanese history with a map and illustrated explanations. As the 6th volume of the series, we published "*Chizu de Sutto Atama ni Hairu America 50 shu*" (Quickly learn about the 50 U.S. states with a map) that allows readers to know about the history and characteristics of each state of the United States in which the quadrennial presidential election took place this year. In addition to this series, we also published "*Saitama no Torisetsu*" (Discover Saitama Prefecture) and "*Hiroshima no Torisetsu*" (Discover Hiroshima Prefecture) as the popular *Torisetsu* series. We plan to publish more sequels to both series as a map book that readers can enjoy at home. During the same period, we also expanded our lineup of books about desserts and consumer discretionary products by publishing three books as the popular sweets series: "*Choko Minto Bon*" (Book about mint chocolate), "*Purin Bon Osaka, Kyoto and Kobe*" (Book introducing pudding shops in Osaka, Kyoto and Kobe), which is the Kansai region's version of "*Purin Bon*" (Book introducing pudding shops centered in Tokyo) that generated much interest, and "*Zeri Bon*" (Book about jelly).

During the period under review, sales activities in the retail publishing business have been restricted for the following reasons: travel and outing spending activities have shrunk significantly due to the spread of COVID-19; and sales of the Group's core retail publishing business, especially overseas traveling product, have declined sharply.

As a result, net sales of the segment were 1,226 million yen, and operating loss was 793 million yen.

Solutions Business

This segment engages in selling the database of maps and guidebooks that are the Group's core competencies, selling system products and solutions using the database, etc.

During the period under review, the inbound business has been in a severe situation due to the impact of COVID-19, and our sales activities to receive new orders have been restricted. However, we have focused on receiving orders from government agencies and municipalities including police and fire departments that are unlikely to be influenced by economic trends. We have also focused on renewing contracts with private companies on subscription-based products. In the meantime, we have pushed the offering of new solutions for business-use navigation systems and the development of new sales channels to compensate for decreases in revenues related to portable navigation devices (PND) and commercial navigation systems. In addition, we have started to develop, procure and offer new products and services that respond to needs in this world of coexisting with COVID-19. Such products and services include "School Zone Safety Support System" that helps schools let their students stagger their commute times; "Thermal Camera" (body temperature screening camera) offered jointly with the company with which we have formed a business alliance; and "Sales Forecast AI Modeling Service" (simulator that develop a model with AI and show an optimal sales forecast for our clients to use internally) targeted at companies in the restaurant and retail industries currently in a challenging operating environment. For our early detection support service "*OKAERI* (Welcome back) QR" that helps detect lost people and children, pets, lost items, and others, we have strengthened our business operations primarily by developing new sales channels and driving promotional activities toward achieving more product awareness and higher market penetration and toward establishing a brand, in addition to face-to-face selling at post offices across the Tokyo metropolitan area.

As a result, net sales of the segment were 717 million yen, and operating loss was 149 million yen.

Real Estate Business

From the current fiscal year, we have established the real estate business as a new business segment. This segment aims to more effectively utilize the Group's property such as land and buildings in conjunction with the conversion to a holding company structure. The segment engages in sale or leasing of the Group's property to external parties.

In the period under review, we recorded revenue from sale of property mentioned above and leasing of other properties owned by the Company.

As a result, net sales of the segment were 1,158 million yen, and operating profit was 906 million yen.

Other Businesses

This segment engages in the following three businesses: the Tabinaka (during traveling) business, the tourism business, and the call center business. The Tabinaka business sends customers to a variety of activities including good restaurants and optional tours mainly in overseas travel destinations via the Group's own website. The tourism business operates the overseas activity facilities owned by the Group and offers relevant customer services. The call center business offers call center services to external counterparties and the Group's companies.

In the Tabinaka and tourism business during the period under review, we have curbed fixed expenses by limiting daily operations to a bare minimum and implementing in-house development because in fact, our business activities had to halt due to cross-border travel restrictions. In the meanwhile, we have made efforts to prepare for resuming operations, such as improving systems, cooperating with more online travel agencies, and strengthening our marketing activities. In order to respond to new needs under such business environment, we launched "MAPPLE Activity Online Platform." This platform allows tour and activity organizers and users to connect to each other on the internet, and enables the organizers to deliver online experiences of tours and events to the users. The call center business operates as scheduled.
As a result, net sales of the segment were 196 million yen, and operating loss was 187 million yen.

(2) Explanation of Financial Position

Total assets at the end of the second quarter on a consolidated basis decreased 254 million yen (1.4%) from the end of the previous fiscal year to 18,563 million yen. This was mainly due to increases in cash and deposits of 551 million yen, merchandise and finished goods of 106 million yen, software of 74 million yen, and investment securities of 345 million yen, which were partially offset by decreases in notes and accounts receivable-trade of 1,072 million yen, work in process of 69 million yen, and real estate for sale of 208 million yen. Total liabilities decreased 299 million yen (8.3%) from the end of the previous fiscal year to 3,305 million yen. This was mainly due to decreases of notes and accounts payable-trade of 278 million yen, provision for sales returns of 182 million yen, and accounts payable–other of 48 million yen, which were partially offset by increases in income taxes payable of 70 million yen and deferred tax liabilities of 144 million yen. Net assets increased 45 million yen (0.3%) from the end of the previous fiscal year to 15,258 million yen. This was mainly due to reporting of loss attributable to owners of parent which was partially offset by an increase in valuation difference on available-for-sale securities of 258 million yen from the end of the previous fiscal year.

Consequently, the equity ratio improved 1.4 percentage point to 82.2%.

Cash flows

Cash and cash equivalents (hereinafter "net cash") at the end of the second quarter on a consolidated basis increased 551 million yen from the end of the previous fiscal year to 5,522 million yen.

Net cash provided by operating activities was 720 million yen. The main factors were depreciation and amortization of 116 million yen, a 1,071 million yen decrease in trade receivables, and a 170 million yen decrease in inventories as well as reporting of loss before income taxes of 76 million yen, which were partially offset by a

182 million yen decrease of provision for sales returns, a 278 million yen decrease in trade payables, and income taxes paid of 37 million yen.

Net cash used in investing activities was 172 million yen. The main factors include purchase of property, plant and equipment of 43 million yen, and purchase of intangible assets of 137 million yen.

Net cash used in financing activities was 0 million yen.

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

The Group’s business performance has been greatly affected by significantly reduced travel and other outings after the declaration of the state of emergency effective from April to the end of May, followed by the second wave of COVID-19 in the summer after the declaration was lifted, triggered by the spread of the COVID-19 infection. In the meanwhile, it became possible for us to reasonably estimate our forecast figures to a certain extent based on our experience obtained through conducting business under such situation. We therefore have decided to announce the consolidated earnings forecast for the current fiscal year.

We have taken the following factors into consideration to estimate the forecast: the impact of the spread of the COVID-19 infection, particularly a tremendous impact on consumer travel and other outings in the tourism industry in which the Group operates its core business, and the fact that such severe situation is likely to continue for the time being. We expect net sales of 6,460 million yen (down 20.0% year on year) with operating loss of 1,020 million yen, ordinary loss of 960 million yen, and loss attributable to owners of parent of 1,190 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.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY3/20 (As of Mar. 31, 2020)	Second quarter of FY3/21 (As of Sep. 30, 2020)
Assets		
Current assets		
Cash and deposits	4,970,584	5,522,213
Notes and accounts receivable-trade	2,473,112	1,400,937
Merchandise and finished goods	1,585,853	1,692,741
Work in process	409,899	340,591
Raw materials and supplies	261	258
Real estate for sale	208,472	-
Other	118,001	164,520
Allowance for doubtful accounts	(29,703)	(16,476)
Total current assets	9,736,481	9,104,786
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,890,956	1,857,478
Land	3,488,222	3,488,222
Other, net	104,148	93,589
Total property, plant and equipment	5,483,327	5,439,289
Intangible assets		
Goodwill	254,478	239,341
Other	254,106	328,696
Total intangible assets	508,584	568,038
Investments and other assets		
Investment securities	1,589,851	1,934,959
Retirement benefit asset	1,308,359	1,330,669
Other	348,363	343,159
Allowance for doubtful accounts	(157,040)	(157,691)
Total investments and other assets	3,089,533	3,451,096
Total non-current assets	9,081,445	9,458,424
Total assets	18,817,926	18,563,210

(Thousands of yen)

	FY3/20 (As of Mar. 31, 2020)	Second quarter of FY3/21 (As of Sep. 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	723,308	444,932
Short-term borrowings	770,000	770,000
Income taxes payable	81,400	152,392
Provision for bonuses	247,699	257,467
Provision for sales returns	577,897	394,917
Other	482,070	413,322
Total current liabilities	2,882,375	2,433,031
Non-current liabilities		
Deferred tax liabilities	466,272	610,970
Retirement benefit liability	72,137	76,854
Other	184,300	184,300
Total non-current liabilities	722,710	872,124
Total liabilities	3,605,085	3,305,156
Net assets		
Shareholders’ equity		
Share capital	10,141,136	10,141,136
Capital surplus	4,168,372	4,168,372
Retained earnings	470,249	249,986
Treasury shares	(405)	(451)
Total shareholders’ equity	14,779,352	14,559,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	502,519	760,899
Foreign currency translation adjustment	(7,591)	(11,785)
Remeasurements of defined benefit plans	(61,438)	(50,103)
Total accumulated other comprehensive income	433,488	699,010
Total net assets	15,212,840	15,258,053
Total liabilities and net assets	18,817,926	18,563,210

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Six-month Period)

(Thousands of yen)

	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)
Net sales	3,958,166	3,298,011
Cost of sales	2,661,677	2,147,335
Gross profit	1,296,488	1,150,676
Provision for sales returns-net	(11,288)	(182,980)
Gross profit-net	1,307,776	1,333,656
Selling, general and administrative expenses	1,477,053	1,458,151
Operating loss	(169,276)	(124,495)
Non-operating income		
Interest income	358	247
Dividend income	19,163	21,679
Rental income	9,509	3,850
Subsidy income	-	28,264
Other	20,754	16,521
Total non-operating income	49,785	70,562
Non-operating expenses		
Interest expenses	4,927	6,454
Rental costs	2,534	2,540
Share of loss of entities accounted for using equity method	0	5,481
Other	1,825	5,955
Total non-operating expenses	9,288	20,432
Ordinary loss	(128,779)	(74,365)
Extraordinary income		
Gain on sales of non-current assets	1,829	143
Gain on sales of investment securities	1,155	-
Total extraordinary income	2,984	143
Extraordinary losses		
Loss on sales of non-current assets	81	-
Loss on retirement of non-current assets	-	1,842
Loss on valuation of investment securities	799	-
Loss on sales of membership	100	-
Loss on valuation of membership	105	-
Total extraordinary losses	1,085	1,842
Loss before income taxes	(126,880)	(76,064)
Income taxes-current	8,215	103,411
Income taxes-deferred	6,246	40,786
Total income taxes	14,462	144,198
Loss	(141,343)	(220,263)
Loss attributable to owners of parent	(141,343)	(220,263)

Quarterly Consolidated Statement of Comprehensive Income

(For the Six-month Period)

(Thousands of yen)

	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)
Loss	(141,343)	(220,263)
Other comprehensive income		
Valuation difference on available-for-sale securities	(24,168)	258,380
Foreign currency translation adjustment	(8,252)	(4,193)
Remeasurements of defined benefit plans, net of tax	1,393	11,335
Total other comprehensive income	(31,026)	265,522
Comprehensive income	(172,370)	45,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(172,370)	45,259
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)
Cash flows from operating activities		
Loss before income taxes	(126,880)	(76,064)
Depreciation and amortization	73,216	116,453
Loss (gain) on valuation of short-term and long-term investment securities	799	-
Share of loss (profit) of entities accounted for using equity method	0	5,481
Loss (gain) on sales of membership	100	-
Loss on valuation of membership	105	-
Increase (decrease) in allowance for doubtful accounts	(57,889)	(12,575)
Increase (decrease) in retirement benefit liability	1,360	4,717
Decrease (increase) in retirement benefit asset	(20,399)	(5,971)
Increase (decrease) in provision for bonuses	24,441	9,770
Increase (decrease) in provision for sales returns	(11,288)	(182,980)
Interest and dividend income	(19,522)	(21,926)
Rental income	(9,509)	(3,850)
Subsidy income	-	(28,264)
Interest expenses	4,927	6,454
Decrease (increase) in trade receivables	632,269	1,071,920
Decrease (increase) in inventories	190,538	170,882
Increase (decrease) in trade payables	(270,480)	(278,157)
Other, net	(83,074)	(58,689)
Subtotal	328,714	717,199
Interest and dividends received	19,568	27,107
Proceeds from rental income	8,688	3,114
Proceeds from subsidy income	-	17,113
Interest paid	(5,082)	(6,454)
Extra retirement payments	(413,246)	-
Income taxes paid	(16,351)	(37,161)
Net cash provided by (used in) operating activities	(77,710)	720,917
Cash flows from investing activities		
Payments into time deposits	(1,648)	-
Proceeds from withdrawal of time deposits	3,278	-
Purchase of property, plant and equipment	(127,875)	(43,266)
Proceeds from sales of property, plant and equipment	1,454	148
Purchase of intangible assets	(164,366)	(137,157)
Purchase of investment securities	(60,378)	(4,115)
Long-term loan advances to employees	(1,000)	-
Collection of loans receivable	7,798	1,290
Other, net	23,130	10,251
Net cash provided by (used in) investing activities	(319,608)	(172,850)
Cash flows from financing activities		
Purchase of treasury shares	(35)	(46)
Dividends paid	(1,033)	(437)
Net cash provided by (used in) financing activities	(1,069)	(483)
Effect of exchange rate change on cash and cash equivalents	(8,116)	4,045
Net increase (decrease) in cash and cash equivalents	(406,504)	551,629
Cash and cash equivalents at beginning of period	5,845,914	4,970,584
Cash and cash equivalents at end of period	5,439,410	5,522,213

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Additional Information

Reclassifications

"Rent income" and "Cost of lease revenue" included in "Non-operating income" and "Non-operating expenses" respectively in prior periods, have been reclassified and included in "Net sales" and "Cost of sales" respectively from the first quarter of FY3/21.

The reclassifications were made to properly indicate current business status as we have changed to position real estate business as one of our main business and manage its profitability under appropriate busines division. To conform to this change, the consolidated financial statements for the first half of FY3/18 has been reclassified.
As a result, "Rent income" of 8,093 thousand yen and "Cost of lease revenue" of 6,137 thousand yen under non-operating income presented in the quarterly consolidated statement of income for the previous first half are reclassified and included in "Net sales" and "Cost of sales" and increased 8,093 thousand yen and 6,137 thousand yen, respectively.

Segment and Other Information

Segment information

I. First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)

Omitted since the Group has only a single business segment.

II. First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)

1. Overview of reportable segments

The reportable segments of the Shobunsha Group are the constituent units where separate financial information can be obtained and the Board of Directors uses this information on a regular basis to allocate resources and evaluate business performance.

The Shobunsha group consists of three reportable segments classified by products or services based on the business operations: the Media Business, the Solutions Business, and the Real Estate Business segments.

Media Business engages in selling retail publications, e-books, and applications; selling magazine and web ads; obtaining permission to use brands and trademarks on publications, etc. Solutions Business engages in selling the database of maps and guidebooks that are the Group's core competencies, selling system products and solutions using the database, etc. Real Estate Business engages in sale or leasing of the Group's property to external parties.

2. Information pertaining to net sales and profit/loss in reportable segments (Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Media Business	Solutions Business	Real Estate Business	Subtotal				
Net sales								
Sales to external customers	1,226,229	717,425	1,158,073	3,101,728	196,283	3,298,011	-	3,298,011
Inter-segment sales and transfers	68,249	116,550	-	184,800	18,020	202,820	(202,820)	-
Total	1,294,479	833,975	1,158,073	3,286,528	214,303	3,500,831	(202,820)	3,298,011
Segment profit (loss)	(793,936)	(149,862)	906,002	(37,795)	(187,009)	(224,805)	100,310	(124,495)

Notes: 1. "Other" represents the businesses not included in any reportable segment and mainly consists of the tourism and call center businesses.

2. The 100,310 thousand yen adjustment to segment profit (loss) consists of 20,273 thousand yen of inter-segment elimination and 80,036 thousand yen of corporate revenues, net of expenses, which are not allocated to any reportable segment.

3. Segment profit (loss) is adjusted with operating loss shown on the quarterly consolidated statement of income.

3. Matters related to changes in reportable segment

The Group has been striving to create the types of value that match what people want and build a broader foundation for earnings through its global operations. Specifically, we have transformed our publishing business model by starting to offer e-books and introducing a membership system for readers who are attracted to our successfully branded publication series. We have also evolved our e-business operations from the provision of content to the provision of solutions. Furthermore, we have launched new businesses involving travel and activities at travel destinations.

Until the end of the previous fiscal year, we had performed management control and information disclosure with a single business segment, providing comprehensive services not restricted to a single medium such as those linked to both publications and smartphones and e-books. Effective from the current fiscal year ending March 31, 2021, we have decided to divide our operations into three reportable segments: Media Business, Solutions Business and Real Estate Business and disclose the segment-by-segment performance. With this three-segment structure, we believe that we can perform management control and information disclosure that reflect our business development more adequately so as to realize more growth and earnings in existing businesses and to assure the success of new businesses fast.

Having started management control with a multiple segment structure from the current fiscal year, we have found it impracticable to accurately reclassify figures for the previous fiscal year into those under the new segment structure, therefore we have omitted disclosure of comparable information by segment for the previous fiscal year.

Subsequent Events

Not applicable.