August 5, 2022

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2023 (Three Months Ended June 30, 2022)

[Japanese GAAP]

Company name: Shobunsha Holdings, Inc. Listing: Tokyo Stock Exchange, Standard Market
Stock code: 9475 URL: https://www.mapple.co.jp/
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Scheduled date of filing of Quarterly Securities Report: August 12, 2022
Scheduled date of payment of dividend: –
Preparation of supplementary materials for quarterly financial results: None
Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(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	%
Three months ended Jun. 30, 2022	1,226	(1.8)	(142)	–	(96)	–	(127)	–
Three months ended Jun. 30, 2021	1,249	–	(338)	–	(295)	–	(338)	–

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2022: (230) (– %)
Three months ended Jun. 30, 2021: (477) (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2022	(7.02)	–
Three months ended Jun. 30, 2021	(18.63)	–

Note: Beginning with the first quarter of the fiscal year ended March 31, 2022, the Company has applied Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020). All figures for the three months ended June 30, 2021 incorporate this accounting standard. However, all figures for the three months ended June 30, 2020 are not adjusted by the retrospective application of the Accounting Standards and comparisons of net sales of the three months ended June 30, 2021 with the three months ended June 30, 2020 are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2022	14,989	10,231	68.3
As of Mar. 31, 2022	15,250	10,461	68.6

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income) (million yen)
As of Jun. 30, 2022: 10,231 As of Mar. 31, 2022: 10,461

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	–	0.00	–	0.00	0.00
Fiscal year ending Mar. 31, 2023	–				
Fiscal year ending Mar. 31, 2023 (forecasts)		0.00	–	–	–

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, 2023. 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, 2023 (April 1, 2022 – March 31, 2023)

(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	2,280	(4.6)	(480)	–	(470)	–	(490)	–	(26.96)
Full year	5,710	23.6	(90)	–	(70)	–	(100)	–	(5.50)

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

* Notes

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

Newly added: – Excluded: –

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

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

1) Changes in accounting policies due to revisions in accounting standards, others:	Yes
2) Changes in accounting policies other than 1) above:	None
3) Changes in accounting estimates:	None
4) Restatements:	None

Note: Please refer to "2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies" on page 10 of the attachments for further information.

(4) Number of issued shares (common stock)

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

As of Jun. 30, 2022:	18,178,173 shares	As of Mar. 31, 2022:	18,178,173 shares

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

As of Jun. 30, 2022:	951 shares	As of Mar. 31, 2022:	951 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2022:	18,177,222 shares	Three months ended Jun. 30, 2021:	18,177,322 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 4 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

During the first three months of the current fiscal year (from April 1, 2022 to June 30, 2022) (hereinafter “the period under review”), the Japanese economy saw both export and industrial production maintain an increasing trend though partly affected by supply constraints as the impact of the COVID-19 infection started to gradually subside. Corporate earnings as a whole remained strong, and this helped capital investment to remain solid. Also, personal consumption, mainly in service sectors, was beginning to pick up. In the tourism industry in which Shobunsha Holdings, Inc. (hereinafter “the Company”) and its subsidiaries and associates (hereinafter collectively “the Group”) operate its core business, we saw signs of recovery amid the easing impact of the COVID-19 infection; however, some more time is still needed to recover to the level before the pandemic. Meanwhile, border control measures on cross-border travelers were still maintained in many countries and regions, leading to uncertainty about the timing of the full recovery in the inbound and outbound tourism industries.

Under these circumstances, the Group addressed issues caused by the prolonged impact of the COVID-19 pandemic. In doing do, we implemented the Group’s business restructuring including, among others, the restructuring of the retail publishing business. Furthermore, we have proactively introduced and utilized DX as a strategy for seizing new profit opportunities and reducing costs through rationalization and streamlining of the operations across the Group. To address changes in the domestic market landscape as we are seeing a sign that the pandemic will end, we have continued to take measures such as strengthening our lineups in the retail publishing business. In addition, we have been focusing on initiatives such as developing new goods and services with a view to a new age coming after the COVID-19 pandemic, including efforts to realize a decarbonized society.

Net sales for the period under review decreased 23 million yen (1.8 %) to 1,226 million yen (1,249 million yen one year earlier), slightly falling short of those for the previous year. This was because the quasi-emergency measures under the sixth wave of the COVID-19 infection were maintained nearly to the end of the previous fiscal year, even though the impact of the COVID-19 pandemic started to calm down throughout the period under review. Another factor that affected net sales was the exclusion of some of the consolidated subsidiaries from the scope of consolidation for the period under review as a result of the business restructuring stated above (please refer to “Other” businesses as described in the segment information below.) In terms of profitability, operating loss was 142 million yen, an improvement of 196 million yen from a loss of 338 million yen one year earlier. This improvement was due to a decrease in both cost of sales and selling, general and administrative expenses from one year earlier as a result of the exclusion of some of the consolidated subsidiaries from the scope of consolidation as in the case with net sales, as well as the effect of restructuring of the retail publishing business. Accordingly, ordinary loss was 96 million yen, an improvement of 199 million yen from operating loss of 295 million yen one year earlier. Consequently, loss attributable to owners of parent was 127 million yen, an improvement of 210 million yen from loss attributable to owners of parent of 338 million yen one year earlier.

Results by business segment of the Group were as follows.

Media Business

This segment engages in planning, producing and selling retail publications, e-books and applications; selling magazine and web ads; planning, producing and selling customized items; obtaining permission to use brands and trademarks on publications, and others.

During the period under review, the continued quasi-emergency measures to nearly the end of the previous fiscal year partly affected our advertising business, which requires order-taking activities in advance to generate sales. However, as we finally saw signs of the prolonged COVID-19 pandemic coming to an end, the Golden Week holidays this year were the first long vacation in three years under no restriction on movements. In this situation, consumer behavior related to traveling and outings was encouraged partly by the “kenmin wari” travel subsidy program implemented by the prefectural governments to stimulate demands. The retail publishing business operated in line with these changes in circumstances. Specifically, we worked to broaden the lineups related to traveling and outings by publishing the latest revision of *Mapple Oishii Michi no Eki Drive* (magazine introducing fine foods at michi-no-eki roadside stations), *Yama to Kogen Chizu Guide* (guide about Mountain and Highland Maps), *Zenkoku Camp-jo Guide* (guide about campsites nationwide) and others, on top of the existing publications including our staple traveling magazine, *MAPPLE Magazine* (published by locations). Additionally, in the well-received book series that allow consumers to satisfy their intellectual curiosity and to enjoy imaginary trips at home, we also published more books such as *Sekai no Sandai Shukyo* (book about the three major religions in the world) as one of the *Chizu de Sutto Atama ni Hairu* (Quickly learn with a map) series. Meanwhile, as our business restructuring effort in the previous fiscal year, which integrated and closed some sales and logistics sites, have started showing effects, stable business management under the new structure has been getting on the right track with significant cost reduction achieved through the effort.

As a result, net sales of the segment were 896 million yen (compared with 909 million yen one year earlier), and operating loss was 48 million yen (compared with operating loss of 287 million yen one year earlier).

Solutions Business

This segment engages in selling the database of maps and guidebooks that are the Group's core competencies, selling system products and solution services using the database, and other activities.

During the period under review, while the inbound business was still uncertain, we continued to focus on receiving orders from government agencies and others including police and fire departments that were less susceptible to economic trends. We also focused on renewing contracts with private companies on subscription-based products. In addition, we released system products and services that leveraged our core competencies. They include Super Mapple Digital 23, the latest version of digital map software, and Mapple Mapping Tool, a website service that allows users to cut out maps as they prefer. Besides, we began to offer electric vehicle charging stations in cooperation with Headspring Inc. as part of our initiatives to realize a decarbonized society. In efforts to develop new businesses and expand product functionality, we have cooperated with Mitsui Sumitomo Insurance Company, Limited on the School Zone Safety Support System that helps users to inspect and manage unsafe spots in school zones with a map, and launched into the development of functions using accident data owned by Mitsui Sumitomo Insurance Company.

As a result, net sales of the segment were 300 million yen (compared with 295 million yen one year earlier), and operating loss was 133 million yen (compared with operating loss of 92 million yen one year earlier).

Other Businesses

This segment engages in the real estate business that sells or leases the Group's property, such as land and buildings, to external counterparties, and so on.

During the period under review, the real estate business operated as scheduled.

As a result, net sales of the segment were 30 million yen (compared with 45 million yen one year earlier), and operating loss was 6 million yen (compared with operating loss of 35 million yen one year earlier). While those amounts in the same period of the previous fiscal year included the tourism business and the call center business, those in the period under review did not include them. This was because MEGURU Co., Ltd. responsible for the tourism business and its consolidated overseas subsidiaries and Kuqulu, Inc. responsible for the call center business were both no longer subsidiaries of the Company as of the end of the previous fiscal year, as mentioned above.

(2) Explanation of Financial Position

Total assets at the end of the first quarter decreased 261 million yen (1.7%) from the end of the previous fiscal year to 14,989 million yen. This was mainly due to decreases in accounts receivable-trade of 151 million yen, work in process of 62 million yen, and buildings and structures, net of 20 million yen, and investment securities of 167 million yen, which were partly offset by increases in cash and deposits of 122 million yen and other of current assets of 33 million yen. Total liabilities decreased 31 million yen (0.7%) from the end of the previous fiscal year to 4,757 million yen. This was mainly due to decreases in provision for bonuses of 65 million yen and deferred tax liabilities of 52 million yen, which were partly offset by increases in refund liabilities of 52 million yen and other of non-current liabilities of 36 million yen. Total net assets decreased 230 million yen (2.2%) from the end of the previous fiscal year to 10,231 million yen. This was due to a decrease in valuation difference on available-for-sale securities of 104 million yen from the end of the previous fiscal year in addition to the reporting of loss attributable to owners of parent.

Consequently, the equity ratio decreased 0.3 percentage points to 68.3%.

Cash flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the first quarter on a consolidated basis increased 122 million yen from the end of the previous fiscal year to 4,092 million yen.

Net cash provided by operating activities was 172 million yen. The main factors were a 151 million yen decrease in trade receivables, a 96 million yen decrease in inventories, and a 52 million yen increase in refund liabilities despite the reporting of loss before income taxes of 115 million yen.

Net cash used in investing activities was 49 million yen. The main factors include purchase of intangible assets of 44 million yen and purchase of property, plant and equipment of 13 million yen.

There was no net cash used in or provided by financing activities.

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

We consider the operating results as a whole for the period under review progressed within the range of our expectations. Changes in the operating environment caused by the signs of the COVID-19 pandemic coming to an end have been incorporated into the consolidated earnings forecasts to some extent. Based on this outlook, we have decided not to revise the first half and full-year forecast figures for the fiscal year ending March 31, 2023 that were announced on May 13, 2022.

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. For information about business risks, which constitute the factors, please refer to the business risk section of our Annual Securities Report (*Yukashoken Hokokusho*) for the fiscal year ended March 31, 2022, which was filed on June 29, 2022.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
Assets		
Current assets		
Cash and deposits	3,970,226	4,092,978
Accounts receivable-trade	1,481,557	1,330,518
Merchandise and finished goods	837,523	822,520
Work in process	202,279	140,279
Raw materials and supplies	258	258
Real estate for sale	19,495	–
Other	177,124	210,657
Allowance for doubtful accounts	(5,861)	(5,254)
Total current assets	6,682,604	6,591,958
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,372,103	1,351,696
Land	3,268,997	3,268,997
Other, net	149,159	137,074
Total property, plant and equipment	4,790,260	4,757,768
Intangible assets		
Other	8,844	26,252
Total intangible assets	8,844	26,252
Investments and other assets		
Investment securities	2,240,819	2,073,196
Retirement benefit asset	1,406,241	1,417,503
Other	179,077	179,480
Allowance for doubtful accounts	(57,208)	(56,923)
Total investments and other assets	3,768,931	3,613,257
Total non-current assets	8,568,036	8,397,279
Total assets	15,250,640	14,989,237

(Thousands of yen)

	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	516,531	490,400
Short-term borrowings	770,000	770,000
Income taxes payable	12,423	12,951
Refund liabilities	1,932,507	1,985,254
Provision for bonuses	212,610	146,835
Other	408,644	428,088
Total current liabilities	3,852,715	3,833,530
Non-current liabilities		
Deferred tax liabilities	664,353	611,670
Retirement benefit liability	87,439	91,741
Other	184,338	220,548
Total non-current liabilities	936,130	923,960
Total liabilities	4,788,846	4,757,490
Net assets		
Shareholders' equity		
Share capital	10,141,136	10,141,136
Capital surplus	4,168,372	4,168,372
Retained earnings	(4,646,363)	(4,773,975)
Treasury shares	(524)	(524)
Total shareholders' equity	9,662,620	9,535,009
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	818,742	714,501
Remeasurements of defined benefit plans	(19,568)	(17,763)
Total accumulated other comprehensive income	799,173	696,737
Total net assets	10,461,793	10,231,746
Total liabilities and net assets	15,250,640	14,989,237

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Three-month Period)

(Thousands of yen)

	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Net sales	1,249,910	1,226,871
Cost of sales	1,052,756	919,982
Gross profit	197,154	306,889
Selling, general and administrative expenses	536,128	449,388
Operating loss	(338,973)	(142,498)
Non-operating income		
Interest income	60	31
Dividend income	14,195	17,752
Rental income	1,200	1,260
Subsidy income	–	26,880
Foreign exchange gains	26,467	–
Share of profit of entities accounted for using equity method	–	1,501
Other	5,968	2,050
Total non-operating income	47,892	49,475
Non-operating expenses		
Interest expenses	3,852	2,831
Share of loss of entities accounted for using equity method	442	–
Other	22	232
Total non-operating expenses	4,317	3,064
Ordinary loss	(295,399)	(96,087)
Extraordinary income		
Gain on sale of non-current assets	–	42
Total extraordinary income	–	42
Extraordinary losses		
Impairment losses	33,898	19,506
Total extraordinary losses	33,898	19,506
Loss before income taxes	(329,298)	(115,551)
Income taxes-current	5,468	9,162
Income taxes-deferred	3,788	2,897
Total income taxes	9,256	12,060
Loss	(338,555)	(127,611)
Loss attributable to owners of parent	(338,555)	(127,611)

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

(Thousands of yen)

	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Loss	(338,555)	(127,611)
Other comprehensive income		
Valuation difference on available-for-sale securities	(112,931)	(104,240)
Foreign currency translation adjustment	(26,769)	-
Remeasurements of defined benefit plans, net of tax	576	1,805
Total other comprehensive income	(139,124)	(102,435)
Comprehensive income	(477,679)	(230,047)
Comprehensive income attributable to:		
Owners of parent	(477,679)	(230,047)
Non-controlling interests	–	–

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Cash flows from operating activities		
Loss before income taxes	(329,298)	(115,551)
Depreciation and amortization	45,382	35,762
Gain on sale of non-current assets	–	(42)
Share of loss (profit) of entities accounted for using equity method	442	(1,501)
Impairment losses	33,898	19,506
Increase (decrease) in allowance for doubtful accounts	(6,216)	(892)
Increase (decrease) in retirement benefit liability	4,485	4,301
Decrease (increase) in retirement benefit asset	(11,309)	(8,660)
Increase (decrease) in refund liabilities	(81,850)	52,747
Increase (decrease) in provision for bonuses	(53,187)	(65,774)
Interest and dividend income	(14,256)	(17,784)
Rental income	(1,200)	(1,260)
Subsidy income	–	(26,880)
Interest expenses	3,852	2,831
Decrease (increase) in trade receivables	436,563	151,038
Decrease (increase) in inventories	111,703	96,498
Increase (decrease) in trade payables	(87,371)	(26,130)
Other, net	(106,853)	110,362
Subtotal	(55,214)	208,571
Interest and dividends received	13,971	17,760
Proceeds from rental income	1,200	1,060
Subsidies received	–	23,940
Interest paid	(3,852)	(2,862)
Extra retirement payments	–	(40,970)
Income taxes paid	(115,918)	(35,243)
Net cash provided by (used in) operating activities	(159,813)	172,255
Cash flows from investing activities		
Purchase of property, plant and equipment	(51,952)	(13,838)
Proceeds from sale of property, plant and equipment	21	42
Purchase of intangible assets	(49,826)	(44,634)
Purchase of investment securities	(403)	(412)
Loan advances	(1,000)	–
Proceeds from collection of loans receivable	610	420
Other, net	–	8,920
Net cash provided by (used in) investing activities	(102,552)	(49,504)
Cash flows from financing activities		
Dividends paid	(189)	–
Net cash provided by (used in) financing activities	(189)	–
Effect of exchange rate change on cash and cash equivalents	(16,783)	–
Net increase (decrease) in cash and cash equivalents	(279,338)	122,751
Cash and cash equivalents at beginning of period	4,629,245	3,970,226
Cash and cash equivalents at end of period	4,349,906	4,092,978

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no effect of the application of these standards on the quarterly consolidated financial statements.

Segment and Other Information

Segment information

I. First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

1. Information pertaining to net sales and profit/loss in reportable segments and on revenue breakdown

(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	Subtotal				
Net sales							
Retail publishing	766,352	–	766,352	–	766,352	–	766,352
Special-order products	36,914	–	36,914	–	36,914	–	36,914
Advertising	69,447	–	69,447	–	69,447	–	69,447
e-business sales	36,848	293,614	330,463	–	330,463	–	330,463
Other	50	1,421	1,472	41,095	42,568	–	42,568
Revenue from contracts with customers	909,613	295,035	1,204,648	41,095	1,245,744	–	1,245,744
Other income	–	–	–	4,165	4,165	–	4,165
Sales to external customers	909,613	295,035	1,204,648	45,261	1,249,910	–	1,249,910
Inter-segment sales and transfers	10,720	37,754	48,475	8,704	57,179	(57,179)	–
Total	920,333	332,790	1,253,123	53,966	1,307,090	(57,179)	1,249,910
Segment profit (loss)	(287,425)	(92,420)	(379,845)	(35,341)	(415,187)	76,213	(338,973)

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

2. The 76,213 thousand yen adjustment to segment profit (loss) consists of 17,904 thousand yen of inter-segment elimination and 58,308 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.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Due to the COVID-19 pandemic, the traveling- and outing-related markets in which the Group operates its core business have continued to be significantly shrinking and stagnant.

We expect that the impact of the pandemic will remain strong and that a severe business environment will continue. As such, as a result of examining future recoverability of the non-current assets held by the Group in accordance with the Accounting Standard for Impairment of Non-current Assets, their carrying amounts have been written down to the recoverable amounts and the amount of reduction was recognized as an impairment loss in the Media and Solutions Businesses.

The amount of impairment loss in the first three months of FY3/22 was 11,743 thousand yen in the Media Business segment and 22,154 thousand yen in the Solutions Business segment.

II. First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)

1. Information pertaining to net sales and profit/loss in reportable segments and on revenue breakdown

(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	Subtotal				
Net sales							
Retail publishing	741,485	–	741,485	–	741,485	–	741,485
Special-order products	29,284	–	29,284	–	29,284	–	29,284
Advertising	60,044	–	60,044	–	60,044	–	60,044
e-business sales	64,197	298,668	362,866	–	362,866	–	362,866
Other	1,121	1,394	2,516	23,404	25,920	–	25,920
Revenue from contracts with customers	896,134	300,063	1,196,198	23,404	1,219,602	–	1,219,602
Other income	–	–	–	7,269	7,269	–	7,269
Sales to external customers	896,134	300,063	1,196,198	30,673	1,226,871	–	1,226,871
Inter-segment sales and transfers	8,432	32,087	40,519	–	40,519	(40,519)	–
Total	904,566	332,150	1,236,717	30,673	1,267,391	(40,519)	1,226,871
Segment profit (loss)	(48,008)	(133,493)	(181,502)	(6,424)	(187,927)	45,428	(142,498)

Notes: 1. "Other" represents the businesses not included in any reportable segment and mainly consists of the real estate businesses.
2. The 45,428 thousand yen adjustment to segment profit (loss) consists of 11,137 thousand yen of inter-segment elimination and 34,290 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.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

The COVID-19 infection has significantly impacted the Group's operating results. Although the pandemic itself is expected to gradually have less impact on the economic environment thanks to booster shots and spread of treatment drugs, concerns remain about the coming wave-like spread of COVID-19 due to emergence of its new variants still remain. Amid the situation that some countries and regions have still been adversely affected by the pandemic, it is still unknown when countries around the world will return their entry restrictions on cross-border travelers to the level before the pandemic. Inflation started rising around the world as economies started to recover under supply constraints. The western world have imposed economic sanctions on Russia over the Ukraine invasion. Such various negative factors may cast a shadow over the post-covid economic recovery.

Considering the Group will be under such uncertain business environment going forward, and as a result of examining future recoverability of the non-current assets held by the Group in accordance with the Accounting Standard for Impairment of Non-current Assets, their carrying amounts have been written down to the recoverable amounts and the amount of reduction was recognized as an impairment loss in both the Media Business segment and the Solutions Business segment.

The amount of impairment loss in the first three months of FY3/23 was 5,741 thousand yen in the Media Business segment and 13,765 thousand yen in the Solutions Business segment.

Subsequent Events

Not applicable.