

**Summary of Consolidated Financial Results**  
**for the Third Quarter of Fiscal Year Ending March 31, 2024**  
**(Nine Months Ended December 31, 2023)**

[Japanese GAAP]

Company name: Shobunsha Holdings, Inc. Listing: Tokyo Stock Exchange, Standard Market  
Stock code: 9475 URL: <https://www.mapple.co.jp/en/>  
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Scheduled date of filing of Quarterly Securities Report: February 13, 2024

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 Third Quarter Ended December 31, 2023**  
**(April 1, 2023–December 31, 2023)**

(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	%
Nine months ended Dec. 31, 2023	4,212	17.8	44	–	(42)	–	1,351	–
Nine months ended Dec. 31, 2022	3,575	0.4	(265)	–	(183)	–	(127)	–

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2023: 1,478 (–%)

Nine months ended Dec. 31, 2022: (59) (–%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	74.33	–
Nine months ended Dec. 31, 2022	(7.00)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2023	17,780	11,991	67.4
As of Mar. 31, 2023	15,579	10,513	67.5

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income) (million yen)

As of Dec. 31, 2023: 11,991

As of Mar. 31, 2023: 10,513

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	–	0.00	–	0.00	0.00
Fiscal year ending Mar. 31, 2024	–	0.00	–	–	–
Fiscal year ending Mar. 31, 2024 (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, 2024. 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, 2024**  
**(April 1, 2023–March 31, 2024)**

(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
Full year	6,370	14.7	80	(39.4)	150	(36.0)	1,380	–	75.92

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: 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 Dec. 31, 2023:	18,178,173 shares	As of Mar. 31, 2023:	18,178,173 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	1,002 shares	As of Mar. 31, 2023:	951 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	18,177,216 shares	Nine months ended Dec. 31, 2022:	18,177,222 shares
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\* 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 3 of the attachments for forecast assumptions and notes of caution for usage.

## Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements	4
2. Quarterly Consolidated Financial Statements and Notes	6
(1) Quarterly Consolidated Balance Sheet	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
Quarterly Consolidated Statement of Income	
For the Nine-month Period	9
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	9
(3) Quarterly Consolidated Statement of Cash Flows	10
(4) Notes to Quarterly Consolidated Financial Statements	11
Going Concern Assumption	11
Significant Changes in Shareholders' Equity	11
Segment and Other Information	11
Subsequent Events	12

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first nine months of the current fiscal year (from April 1, 2023 to December 31, 2023) (hereinafter “the period under review”), the Japanese economy enjoyed solid export and industrial production after supply constraints were resolved even despite a slowdown in the recovery of overseas economies. As a result, the domestic employment and income conditions were mildly improved. In Japan, the COVID-19 infection that cast a heavy shadow over the world's economy for a long time was downgraded in spring 2023 to a Class 5 disease under the Infectious Disease Act, which is the same level as seasonal influenza. Although the spread of its new variants has still been reported across Japan, people’s anxiety about economic activity was almost eliminated. Thus, the tourism market and the market related to accommodation and food/beverage services, in which Shobunsha Holdings, Inc. (hereinafter “the Company”) and its subsidiaries and associates (hereinafter collectively “the Group”) operates its core business, steadily recovered, with the extension of the nationwide travel support serving as a tailwind. In addition, large companies in particular are expected to raise wages at a high level also in 2024, following last year's increase. This leads to a positive cycle of prices and wages, causing Japan to finally overcome deflation that has long hindered the robust growth of the Japanese economy. On the other hand, the effects of global inflation, which has occurred as a result of economic normalization and increased geopolitical risks, spread to Japan as well. The continual rise in prices posed a new cause of concern. Backed by the ongoing historic depreciation of the yen due to the Bank of Japan’s decision to continue its bold monetary easing policy, the inbound tourism market rapidly recovered with the exception of visitors from China where the normalization of traveling abroad was delayed due to the effect of the zero-corona policy. In contrast, recovery in the outbound tourism market was sluggish.

The Group addressed challenges caused by the prolonged impact of the COVID-19 pandemic. In doing so, we boldly implemented the reorganization of the Group’s business portfolio and the restructuring of the retail publishing business, which is the Group’s core business. We also rationalized and streamlined the operations through digital transformation (DX). Furthermore, we took other measures including effective use of assets owned by the Group. As a result, backed by the recovery of market environment, we turned into profitability by reporting net income for the previous fiscal year for the first time in three fiscal years. We are aware that our upcoming key issues are to continuously achieve sustained growth and strengthen our financial base to make it more robust. In particular, we re-position the initiatives implemented to promote DX and realize a decarbonized society as part of our sustainability strategy that aligns with the corporate philosophy of “organization that provides support for good living and enjoyable traveling”. We also continue focusing on the efforts to enhance efficiency of the existing businesses, to develop new businesses, and to develop products and services through business alliances with other companies.

Net sales for the period under review increased 636 million yen (17.8%) to 4,212 million yen (compared with 3,575 million yen one year earlier) due to a steady increase in sales in the retail publishing, subscription services, e-books, advertising, and special-order product businesses related to tourism. This was because the traveling demand was higher than a year ago thanks to the downgrade of COVID-19 to a Class 5 disease to be in time for the period of expanding demand for traveling and outings as well as the extension of the nationwide travel support both as stated above. In terms of profitability, operating profit was 44 million yen, an improvement of 309 million yen from operating loss of 265 million yen one year earlier. This improvement was due to limited increases in cost of sales and selling, general and administrative expenses compared with the steady increase in sales. Ordinary loss was 42 million yen, a limited improvement of 141 million yen from ordinary loss of 183 million yen one year earlier. This was due to positing loss on valuation of derivatives of 135 million yen presented under non-operating expenses, as announced today in “Notice of Reporting of Non-operating Expenses (Loss on Valuation of Derivatives)” (Japanese version only). In addition, we included in extraordinary income a gain on sale of non-current assets in the period under review, as announced in “Notice of Transfer of Non-Current Assets, Recording of Extraordinary Income, and Revision to Full-Year Earnings Forecast” (Japanese version only) dated October 20, 2023. As a result, profit attributable to owners of parent was 1,351 million yen, an improvement of 1,478 million yen from loss attributable to owners of parent of 127 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 apps; selling magazine and web ads; planning, producing, and selling special-order products; obtaining permission to use brands and trademarks on publications, and others.

During the period under review, the segment achieved a significant year-on-year increase in sales. This is because sales of retail publications including traveling magazine mainly consisting of *MAPPLE Magazines* increased for traveling in nearby Asian countries and regions such as Seoul and Taiwan, let alone for domestic traveling, due to higher traveling demand than the previous year. Furthermore, sales of e-books steadily increased, including the subscription service to provide unlimited access to e-books, and profit from the advertising business and special-order products also increased with the rapid market recovery as a tailwind. In the retail publications business related to traveling and outings, in addition to expansion of our staple traveling magazines, we published new books and magazines including *Hokkaido Travel Map Guide*, which is a bible for travelers in Hokkaido to get a complete guide on the 179 Hokkaido municipalities categorized under 17 themes; *MAPPLE Plant Tour: Social Study Tour in the Metropolitan Tokyo Area/Keihanshin and Nagoya Areas*, which is a guidebook for readers to enjoy learning society; *Small Day Trips in Saitama/Gunma: Special Edition*, which is a new release two years after the previous release of the series; and five titles of *MAPPLE WORLD*, which is a new series of overseas guidebook. As map products, we published the completely revised edition of our best-seller *Nationwide Railway Map* and its e-book version, aimed at the railway enthusiast market, which has been re-fueled since relaxation of COVID-19-related restrictions. In the *Chizu de Sutto Atama ni Hairu* (quickly learn with a map) series, which is our well-received book series, we launched *55 Countries and Regions in Africa* and *Australia and Pacific Islands*, which are introduction books on overseas areas; *Chizu de Sutto Atamani Hairu Sekai no Shigen to Soudatsu-sen* (the world's resources and the battle for them) and *Chizu de Sutto Atamani Hairu Sekai no Gunji Jousei* (the world's military landscape) in response to today's international circumstances; and *Zukai de Sutto Atama ni Hairu Murasaki Shikibu to Genji Monogatari*, which gives illustrated synopses of the big full-length novel *Genji Monogatari* (the Tale of Genji) and describes the personality and life of the author Murasaki Shikibu.

As a result, net sales of the segment were 3,050 million yen (compared with 2,472 million yen one year earlier). Operating profit was 262 million yen (compared with operating loss of 73 million yen one year earlier).

## Solutions Business

This segment engages in sales of databases of maps and guidebooks that are the Group's core competencies, sales and custom-development of system products and solution services using the databases, and other activities.

During the period under review, we continued to focus on receiving orders from government agencies 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. As for business-use car navigation products, we have seen a steady increase in orders received while the commercial PND market has been shrinking due to the spread of free-of-charge navigation apps available on smartphones and in-vehicle systems linked with such apps. In addition to the start of supply of *Business-use Car Navigation System SDK Ver. 8.0*, which is the latest version of our business-use car navigation product, we released *MAPPLE Route Navigator*, which is a car navigation application specifically designed for cyclic operations along fixed routes, such as distribution, collection, inspection, and human transportation. This navigator allows drivers to smoothly share the knowledge on driving routes of experienced drivers, helping resolve challenges related to the 2024 logistics crunch in Japan. Furthermore, in relation to the qualified invoice system for consumption tax purposes starting in October 2023, we commercialized Address Cleansing Tool specifically designed to serve as an address normalization converter, to meet the needs of customers who wanted to smoothly check the list of their business partners against the list of business issuers of qualified invoice published by the National Tax Agency. We also released a renewal version of the School Zone Safety Support System providing support for implementing safety measures in school zones of elementary and junior high schools. This renewal version is equipped with new functions including the data sharing function in response to requests from the schools that have introduced this system and their PTAs. As part of the initiative to achieve carbon neutrality, we concluded the Agreement on Promotion of Introduction of Electric Chargers for Electric Vehicles with Chiba Prefecture.

As a result, net sales of the segment were 1,069 million yen (compared with 1,052 million yen one year earlier). Operating loss was 256 million yen (compared with operating loss of 210 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 the sales agency business.

During the period under review, other businesses operated as planned.

As a result, net sales of the segment were 92 million yen (compared with 49 million yen one year earlier). Operating profit was 38 million yen (compared with operating loss of 15 million yen one year earlier).

### **(2) Explanation of Financial Position**

Total assets at the end of the third quarter increased 2,201 million yen (14.1%) from the end of the previous fiscal year to 17,780 million yen. This was mainly due to increases in cash and deposits of 1,576 million yen, merchandise and finished goods of 79 million yen, work in process of 179 million yen, other of current assets of 776 million yen, other of intangible assets of 63 million yen, investment securities of 155 million yen, and other of investments and other assets of 411 million yen, which were partly offset by decreases in accounts receivable-trade of 149 million yen, buildings and structures, net of 473 million yen, and land of 420 million yen. Total liabilities increased 722 million yen (14.3%) from the end of the previous fiscal year to 5,788 million yen. This was mainly due to increases in income taxes payable of 165 million yen, refund liabilities of 197 million yen, other of current liabilities of 214 million yen, and other of non-current liabilities of 135 million yen. Total net assets increased 1,478 million yen (14.1%) from the end of the previous fiscal year to 11,991 million yen. This was due to an increase in valuation difference on available-for-sale securities of 107 million yen and the reporting of profit attributable to owners of parent.

Consequently, the equity ratio decreased 0.1 percentage points to 67.4%.

### **Cash flows**

Cash and cash equivalents (hereinafter "net cash") at the end of the period under review on a consolidated basis increased 1,576 million yen from the end of the previous fiscal year to 6,317 million yen.

Net cash used in operating activities was 735 million yen. The main factors were a gain on sale of non-current assets of 1,566 million yen, an increase in inventories of 259 million yen, and other, net of 977 million yen, which were partly offset by profit before income taxes of 1,528 million yen, loss on valuation of derivatives of 135 million yen, an increase in refund liabilities of 197 million yen, and a decrease in trade receivables of 149 million yen.

Net cash provided by investing activities was 2,312 million yen. The main factor was proceeds from sale of property, plant and equipment of 2,425 million yen, which was partially offset by purchase of intangible assets of 87 million yen.

Net cash used in financing activities was 0 million yen.

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

For the consolidated earnings forecasts for the fiscal year ending March 31, 2024, we have decided not to revise the full-year consolidated forecast figure, as shown in "Notice of Differences between Consolidated Earnings Forecasts and Actual Results for the First Half of the Fiscal Year Ending March 31, 2024 and Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024" (Japanese version only) released on November 6, 2023. This is because a steady recovery has been observed in the tourism market and in the market related to accommodation and food/beverage services in Japan as stated earlier, and the consolidated earnings forecasts has, to a great extent, already incorporated a forecast that such a favorable situation will continue in a foreseeable future.

In addition, the earnings forecasts are expected to be not significantly affected by the Noto Peninsula Earthquake that occurred on January 1, 2024 while some uncertain factors remain at this time. Our deepest sympathies go out to all the residents and those concerned in the suffered areas. To support the activities of the police, fire departments,

and other organizations in the areas, the Group shall provide map information owned by the Group to contribute to recovery efforts.

Note that the earnings forecasts are based on information that is currently available to us and on certain assumptions that we believe 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, 2023, which was filed on June 29, 2023.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	4,741,144	6,317,633
Accounts receivable-trade	1,735,774	1,586,046
Merchandise and finished goods	883,329	962,785
Work in process	137,623	317,423
Raw materials and supplies	258	258
Other	90,294	866,864
Allowance for doubtful accounts	(278)	(270)
Total current assets	7,588,145	10,050,741
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,260,806	787,661
Land	2,979,124	2,558,671
Other, net	104,688	70,014
Total property, plant and equipment	4,344,619	3,416,347
Intangible assets		
Other	64,673	128,435
Total intangible assets	64,673	128,435
Investments and other assets		
Investment securities	2,101,771	2,256,956
Retirement benefit asset	1,363,592	1,399,166
Other	162,305	574,158
Allowance for doubtful accounts	(45,480)	(45,160)
Total investments and other assets	3,582,188	4,185,121
Total non-current assets	7,991,481	7,729,904
Total assets	15,579,627	17,780,645



	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	577,548	548,025
Short-term borrowings	770,000	770,000
Income taxes payable	23,566	189,393
Refund liabilities	2,173,761	2,371,556
Provision for bonuses	169,770	142,456
Other	365,751	580,395
<b>Total current liabilities</b>	<b>4,080,398</b>	<b>4,601,828</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	653,086	712,366
Retirement benefit liability	94,975	101,904
Other	237,410	372,681
<b>Total non-current liabilities</b>	<b>985,473</b>	<b>1,186,952</b>
<b>Total liabilities</b>	<b>5,065,871</b>	<b>5,788,780</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,141,136	10,141,136
Capital surplus	4,168,372	4,168,372
Retained earnings	(4,616,223)	(3,265,045)
Treasury shares	(524)	(542)
<b>Total shareholders' equity</b>	<b>9,692,760</b>	<b>11,043,920</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	892,980	1,000,008
Remeasurements of defined benefit plans	(71,985)	(52,063)
<b>Total accumulated other comprehensive income</b>	<b>820,995</b>	<b>947,944</b>
<b>Total net assets</b>	<b>10,513,755</b>	<b>11,991,865</b>
<b>Total liabilities and net assets</b>	<b>15,579,627</b>	<b>17,780,645</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statements of Income****(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Net sales	3,575,537	4,212,225
Cost of sales	2,406,398	2,598,660
Gross profit	1,169,139	1,613,565
Selling, general and administrative expenses	1,434,428	1,569,156
Operating profit (loss)	(265,289)	44,408
Non-operating income		
Interest income	102	156
Dividend income	38,038	41,589
Rental income	2,180	1,980
Foreign exchange gains	–	3,836
Share of profit of entities accounted for using equity method	911	2,850
Subsidy income	35,475	2,957
Other	14,562	5,319
Total non-operating income	91,269	58,691
Non-operating expenses		
Interest expenses	8,557	8,557
Loss on investments in investment partnerships	–	1,362
Loss on valuation of derivatives	–	135,270
Other	1,343	0
Total non-operating expenses	9,900	145,190
Ordinary loss	(183,920)	(42,090)
Extraordinary income		
Gain on sale of non-current assets	113,982	1,566,728
Gain on sale of investment securities	–	5,554
Gain on sale of membership	713	–
Total extraordinary income	114,696	1,572,282
Extraordinary losses		
Loss on retirement of non-current assets	0	381
Loss on valuation of investment securities	–	1,129
Impairment losses	36,421	–
Total extraordinary losses	36,421	1,510
Profit (loss) before income taxes	(105,645)	1,528,681
Income taxes-current	20,557	175,232
Income taxes-deferred	1,031	2,270
Total income taxes	21,588	177,502
Profit (loss)	(127,233)	1,351,178
Profit (loss) attributable to owners of parent	(127,233)	1,351,178

**Quarterly Consolidated Statements of Comprehensive Income**  
**(For the Nine-month Period)**

	(Thousands of yen)	
	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Profit (loss)	(127,233)	1,351,178
Other comprehensive income		
Valuation difference on available-for-sale securities	62,706	107,027
Remeasurements of defined benefit plans, net of tax	5,415	19,922
Total other comprehensive income	68,122	126,949
Comprehensive income	(59,111)	1,478,128
Comprehensive income attributable to:		
Owners of parent	(59,111)	1,478,128
Non-controlling interests	–	–

**(3) Quarterly Consolidated Statements of Cash Flows**

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	(105,645)	1,528,681
Depreciation and amortization	114,232	118,199
Loss (gain) on valuation of short-term and long-term investment securities	–	1,129
Loss (gain) on valuation of derivatives	–	135,270
Gain on sale of non-current assets	(113,982)	(1,566,728)
Loss (gain) on sale of membership	(713)	–
Share of loss (profit) of entities accounted for using equity method	(911)	(2,850)
Impairment losses	36,421	–
Increase (decrease) in allowance for doubtful accounts	(12,684)	(328)
Increase (decrease) in retirement benefit liability	6,454	6,928
Decrease (increase) in retirement benefit asset	(25,017)	(6,860)
Increase (decrease) in refund liabilities	220,048	197,795
Increase (decrease) in provision for bonuses	(83,566)	(27,313)
Interest and dividend income	(38,140)	(41,746)
Rental income	(2,180)	(1,980)
Subsidy income	(35,475)	(2,957)
Interest expenses	8,557	8,557
Decrease (increase) in trade receivables	252,570	149,728
Decrease (increase) in inventories	21,267	(259,256)
Increase (decrease) in trade payables	16,324	(29,522)
Other, net	98,176	(977,450)
Subtotal	355,737	(770,705)
Interest and dividends received	38,161	41,758
Proceeds from rental income	1,980	1,980
Settlement received	2,800	–
Subsidies received	35,475	2,957
Interest paid	(8,650)	(8,650)
Extra retirement payments	(40,970)	–
Income taxes paid	(33,848)	(19,915)
Income taxes refund	64,440	17,245
Net cash provided by (used in) operating activities	415,126	(735,329)
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,991)	(22,395)
Proceeds from sale of property, plant and equipment	410,745	2,425,005
Purchase of intangible assets	(128,279)	(87,538)
Purchase of investment securities	(2,230)	(3,428)
Long-term loan advances to employees	–	(5,000)
Proceeds from collection of loans receivable	1,585	1,415
Other, net	19,212	4,762
Net cash provided by (used in) investing activities	284,042	2,312,820
Cash flows from financing activities		
Purchase of treasury shares	–	(18)
Net cash provided by (used in) financing activities	–	(18)
Effect of exchange rate changes on cash and cash equivalents	–	(984)
Net increase (decrease) in cash and cash equivalents	699,168	1,576,488
Cash and cash equivalents at beginning of period	3,970,226	4,741,144
Cash and cash equivalents at end of period	4,669,395	6,317,633

**(4) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

Segment information

I. First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 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	1,943,597	–	1,943,597	–	1,943,597	–	1,943,597
Special-order products	143,216	–	143,216	–	143,216	–	143,216
Advertising	149,620	–	149,620	–	149,620	–	149,620
e-business sales	231,127	1,050,768	1,281,896	–	1,281,896	–	1,281,896
Other	5,272	2,208	7,481	26,443	33,924	–	33,924
Revenue from contracts with customers	2,472,834	1,052,977	3,525,812	26,443	3,552,255	–	3,552,255
Other income	–	–	–	23,282	23,282	–	23,282
Sales to external customers	2,472,834	1,052,977	3,525,812	49,725	3,575,537	–	3,575,537
Inter-segment sales and transfers	63,826	94,718	158,544	–	158,544	(158,544)	–
Total	2,536,661	1,147,695	3,684,357	49,725	3,734,082	(158,544)	3,575,537
Segment profit (loss)	(73,561)	(210,651)	(284,213)	(15,144)	(299,357)	34,068	(265,289)

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

2. The 34,068 thousand yen adjustment to segment profit (loss) consists of 261 thousand yen of inter-segment elimination and 33,806 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. Furthermore, inflation started rising around the world as economies started to recover under supply constraints. The western world has 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 impairment losses in both the Media Business segment and the Solutions Business segment.

The amount of impairment losses in the first nine months of FY3/23 was 7,442 thousand yen in the Media Business segment and 28,978 thousand yen in the Solutions Business segment.

## II. First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)

## 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	2,412,581	–	2,412,581	–	2,412,581	–	2,412,581
Special-order products	145,818	–	145,818	–	145,818	–	145,818
Advertising	196,631	–	196,631	–	196,631	–	196,631
e-business sales	291,599	1,066,262	1,357,861	–	1,357,861	–	1,357,861
Other	3,429	3,522	6,952	34,907	41,860	–	41,860
Revenue from contracts with customers	3,050,060	1,069,785	4,119,845	34,907	4,154,753	–	4,154,753
Other income	–	–	–	57,471	57,471	–	57,471
Sales to external customers	3,050,060	1,069,785	4,119,845	92,379	4,212,225	–	4,212,225
Inter-segment sales and transfers	75,167	97,844	173,012	–	173,012	(173,012)	–
Total	3,125,228	1,167,629	4,292,858	92,379	4,385,238	(173,012)	4,212,225
Segment profit (loss)	262,566	(256,584)	5,982	38,346	44,329	79	44,408

Notes: 1. “Other” represents the businesses not included in any reportable segment and consists of the real estate business and the sales agency business.

2. The 79 thousand yen adjustment to segment profit (loss) consists of 107 thousand yen of inter-segment elimination and minus 27 thousand yen of corporate revenues, net of expenses, which are not allocated to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit 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

Not applicable.

**Subsequent Events**

Not applicable.

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*