October 30, 2015

Summary of Consolidated Financial Results
for the Second Quarter of Fiscal Year Ending March 31, 2016
(Six Months Ended September 30, 2015)

[Japanese GAAP]

Company name: Shobunsha Publications, Inc.
Listing: Tokyo Stock Exchange, First Section
Stock code: 9475
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Representative: Shigeo Kuroda, President & Representative Director
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Scheduled date of filing of Quarterly Report: November 13, 2015
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for securities analysts)

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

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2015 (April 1, 2015 – September 30, 2015)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2015	6,030	(3.9)	(449)	-	(426)	-	(443)	-
Six months ended Sep. 30, 2014	6,272	0.9	3	-	30	-	9	-

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2015: (527) (- %)
Six months ended Sep. 30, 2014: 143 (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2015	(26.69)	-
Six months ended Sep. 30, 2014	0.57	0.56

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2015	26,822	21,145	78.7
As of Mar. 31, 2015	28,328	21,978	77.6

Reference: Shareholders' equity (million yen) As of Sep. 30, 2015: 21,118 As of Mar. 31, 2015: 21,978

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	0.00	-	20.00	20.00
Fiscal year ending Mar. 31, 2016	-	0.00			
Fiscal year ending Mar. 31, 2016 (forecasts)			-	20.00	20.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	13,480	8.7	350	-	390	-	360	-	21.65

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

The Company announced the revision of its consolidated earnings forecasts on October 29, 2015. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements" on page 3 of the attachments for further information.

* 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-based 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-based estimates:	None
4) Restatements:	None

Note: Please refer to "2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements" on page 4 of the attachments for further information.

(4) Number of outstanding shares (common shares)

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

As of Sep. 30, 2015:	17,307,750 shares	As of Mar. 31, 2015:	17,307,750 shares

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

As of Sep. 30, 2015:	679,814 shares	As of Mar. 31, 2015:	679,714 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2015:	16,627,962 shares	Six months ended Sep. 30, 2014:	16,628,331 shares

* Information regarding the implementation of quarterly review procedures

The current quarterly summary report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly financial statements have not been completed.

* Explanation of appropriate use of operating 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 "Explanation of Consolidated 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

(1) Explanation of Results of Operations

For the first half of the current fiscal year (from April 1, 2015 to September 30, 2015, hereinafter referred to as the current period), the Japanese economy recovered slowly due in part to economic stimulus measures by the Japanese government and the lower price of crude oil, despite the impact of a slowdown in the Chinese economy.

Against this backdrop, the Shobunsha Group have been involved in a variety of activities during the current period, including endeavors to tie up with a number of overseas companies for joint projects and efforts to improve the functionality and geographical coverage of “DiGJAPAN!,” an app targeted at foreign tourists visiting Japan, so as to establish our new inbound business for tourists visiting Japan. Our e-business sales for the current period dropped substantially to 1,671 million yen, down 495 million yen (22.9%) year on year. This was because more consumers than expected opted for free car GPS navigation apps for smartphones and other mobile devices over our *Mapple Navi*, an application for portable navigation devices (PND). Sluggish sales of light motor vehicles also had a larger than expected impact on sales of this product. Retail publishing sales increased 206 million yen (5.8%) year on year to 3,782 million yen. There was a significant decrease in returned products and an increase in sales owing to revised Japan travel guidebooks in the first quarter, just as initially expected. While, in the second quarter, sales at bookstores unexpectedly slowed during the summer (the highest selling season for products in this segment), we have achieved a year-on-year increase in sales. Sales of special-order products topped the previous year’s figure owing to an increase in orders mainly from municipal governments for the production of their own *co-Trip booklets*. Advertising revenue as well as fees and commissions remained almost unchanged from the same period last year. Overall, consolidated sales for the current period decreased 242 million yen (3.9%) year on year to 6,030 million yen.

The Group has incurred losses for the current period. While amortization expenses were lower because of the recognition of impairment loss on database in the previous fiscal year, there was a substantial increase in provision for sales returns as well as an increase in expenses associated with accounting for retirement benefits. Moreover, a decline in sales of e-businesses, which had enjoyed a high profit margin, caused cost of sales to increase. Furthermore, selling, general and administrative expenses increased mainly because of higher up-front investments for the new inbound business, an increase in overhead expenses due to accelerated implementation of the maintenance activities, and an increase in provision of allowance for doubtful accounts. Consequently, operating loss for the current period was 449 million yen (compared with operating income of 3 million yen in the same period of the previous fiscal year), ordinary loss was 426 million yen (compared with ordinary income of 30 million yen), and loss attributable to owners of parent was 443 million yen (compared with a profit of 9 million).

(2) Explanation of Financial Position

Total assets decreased 1,506 million yen (5.3%) from the end of the previous fiscal year to 26,822 million yen at the end of the current period. This was mainly due to decreases in cash and deposits of 1,195 million yen, notes and accounts receivable-trade of 315 million yen and merchandise and finished goods of 471 million yen, which were partially offset by increases in work in process of 166 million yen and software of 167 million yen. Total liabilities decreased 673 million yen (10.6%) from the end of the previous fiscal year to 5,676 million yen. This was mainly due to decreases in notes and accounts payable-trade of 580 million yen and other under current liabilities of 161 million yen, which were partially offset by an increase in provision for sales returns of 128 million yen. Total net assets decreased 832 million yen (3.8%) from the end of the previous fiscal year to 21,145 million yen. This was mainly due to decreases in retained earnings of 776 million yen as a result of the booking of loss attributable to owners of parent and the declaration of cash dividends, while there was an increase in subscription rights to shares of 27 million yen.

As a result, the equity ratio improved 1.1 percentage point to 78.7%.

Cash flows

Cash and cash equivalents (hereafter referred to as “net cash”) at the end of the current period on a consolidated basis decreased 1,195 million yen from the end of the previous fiscal year to 10,586 million yen.

Net cash used in operating activities was 285 million yen. The main factors were loss before income taxes and non-controlling interests of 416 million yen, depreciation and amortization of 154 million yen, a 128 million yen increase in provision for sales returns, a 315 million yen decrease in notes and accounts receivable-trade, a 306 million yen decrease in inventories, while there was a 580 million yen decrease in notes and accounts payable-trade and a 170 million yen decrease in other, net.

Net cash used in investing activities was 565 million yen. The main factors were purchases of intangible assets and investment securities of 338 million yen and 210 million yen, respectively.

Net cash used in financing activities was 344 million yen. The main factor was the cash dividends paid of 332 million yen.

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

Our e-business and retail publishing sales for the current period were much lower than initially planned. Particularly, the decrease in high-margin e-business sales has a significant impact on our profits. We nevertheless anticipate that we will be able to record profits on a full-year basis, although lower than the initial projection. More specifically, given the situation that small-sized Mapple Magazines in the category of retail publishing have been enjoying brisk sales, more titles of small-sized series that were originally not planned will be published in the second half of the current fiscal year to boost sales. We will also continue to cut costs and overhead expenses to help achieve a certain level of profits.

Given these factors, we have revised the full-year forecasts announced on May 15, 2015 as follows:

		(Millions of yen)
Net sales:	13,480	(Previous forecast: 13,890)
Operating income:	350	(Previous forecast: 500)
Ordinary income:	390	(Previous forecast: 540)
Profit attributable to owners of parent:	360	(Previous forecast: 500)

These forecasts are based on information that is currently available and on assumptions that we believe are reasonable. Actual sales and earnings may differ significantly from these forecasts. For information about business risk factors that may be a cause of differences in actual performance, refer to the business risk section of the Shobunsha Securities Report “*Yuka-shoken Hokokusho*” for the fiscal year that ended on March 31, 2015, which was submitted on June 26, 2015.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

Effective from the first quarter of the current fiscal year, the Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other standards. As a result, for subsidiaries which the Company continues to control, differences arising due to changes in the equity portion are entered in capital surplus and costs associated with the acquisition of shares are now treated as expenses in the fiscal year in which they are incurred. In addition, for business combinations that are implemented after the beginning of the first quarter of the current fiscal year, the allocation of the cost of acquisitions, as determined after review of provisional accounting treatment, is reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place. Additionally, the method of presenting consolidated quarterly net income was changed and references to “minority interests” were changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly consolidated financial statements for the first six month of the previous fiscal year and consolidated financial statements for the previous fiscal year.

Regarding the application of the Accounting Standard for Business Combinations, the Company has applied the provisional accounting treatment contained in Accounting Standard for Consolidated Financial Statements 58-2 (4), Accounting Standard for Consolidated Financial Statements 44-5 (4), and Accounting Standard for Business Divestitures 57-4 (4), and will continue to apply these standards from the beginning of the first quarter of the current fiscal year into the future.

These changes have no impact on profit or loss for the current period.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	Second quarter of FY3/16 (As of Sep. 30, 2015)
Assets		
Current assets		
Cash and deposits	11,357,006	10,161,507
Notes and accounts receivable-trade	3,081,905	2,766,099
Securities	1,025,280	1,025,401
Merchandise and finished goods	1,576,603	1,105,428
Work in process	350,861	517,642
Raw materials and supplies	6,411	4,787
Other	82,994	110,162
Allowance for doubtful accounts	(538)	(508)
Total current assets	17,480,525	15,690,520
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,545,199	2,480,840
Land	4,213,950	4,213,950
Other, net	130,424	126,432
Total property, plant and equipment	6,889,574	6,821,223
Intangible assets		
Database	-	85,491
Software	316,332	484,317
Other	9,412	9,311
Total intangible assets	325,745	579,120
Investments and other assets		
Investment securities	2,043,170	2,125,707
Net defined benefit asset	1,356,154	1,379,619
Other	614,488	651,032
Allowance for doubtful accounts	(381,208)	(425,129)
Total investments and other assets	3,632,605	3,731,229
Total non-current assets	10,847,925	11,131,573
Total assets	28,328,450	26,822,093

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	Second quarter of FY3/16 (As of Sep. 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,305,829	725,589
Short-term loans payable	770,000	770,000
Current portion of long-term loans payable	50,017	33,355
Income taxes payable	67,244	53,562
Provision for bonuses	362,405	356,742
Provision for sales returns	607,277	736,099
Other	719,950	558,498
Total current liabilities	3,882,723	3,233,846
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term loans payable	20,838	8,340
Deferred tax liabilities	1,134,888	1,104,645
Provision for directors’ retirement benefits	224,500	235,500
Net defined benefit liability	85,002	91,774
Other	2,092	2,092
Total non-current liabilities	2,467,320	2,442,352
Total liabilities	6,350,044	5,676,199
Net assets		
Shareholders’ equity		
Capital stock	9,903,870	9,903,870
Capital surplus	10,708,236	10,708,236
Retained earnings	1,000,683	224,269
Treasury shares	(525,281)	(525,371)
Total shareholders’ equity	21,087,507	20,311,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	936,631	844,382
Remeasurements of defined benefit plans	(45,732)	(37,294)
Total accumulated other comprehensive income	890,898	807,087
Subscription rights to shares	-	27,803
Total net assets	21,978,406	21,145,894
Total liabilities and net assets	28,328,450	26,822,093

(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 FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Net sales	6,272,610	6,030,186
Cost of sales	4,353,143	4,204,873
Gross profit	1,919,467	1,825,313
Provision for sales returns-net	(110,546)	128,822
Gross profit-net	2,030,013	1,696,491
Selling, general and administrative expenses	2,026,104	2,145,527
Operating income (loss)	3,908	(449,035)
Non-operating income		
Interest income	1,517	1,514
Dividend income	11,535	15,640
Rent income	14,415	15,243
Dividend income of insurance	4,212	4,003
Other	16,369	9,523
Total non-operating income	48,050	45,925
Non-operating expenses		
Interest expenses	6,202	6,160
Share issuance cost	-	10,858
Bond issuance cost	8,483	-
Cost of lease revenue	4,358	4,304
Other	2,655	2,052
Total non-operating expenses	21,699	23,375
Ordinary income (loss)	30,258	(426,486)
Extraordinary income		
Gain on sales of non-current assets	550	1,420
Gain on sales of investment securities	1,583	10,239
Total extraordinary income	2,133	11,660
Extraordinary losses		
Loss on sales of non-current assets	104	-
Loss on retirement of non-current assets	302	1,481
Total extraordinary losses	406	1,481
Income (loss) before income taxes and non-controlling interests	31,986	(416,306)
Income taxes-current	50,366	23,828
Income taxes-deferred	(27,805)	3,717
Total income taxes	22,560	27,546
Profit (loss)	9,425	(443,853)
Profit (loss) attributable to owners of parent	9,425	(443,853)

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

(Thousands of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Profit (loss)	9,425	(443,853)
Other comprehensive income		
Valuation difference on available-for-sale securities	280,725	(92,248)
Remeasurements of defined benefit plans, net of tax	(146,538)	8,437
Total other comprehensive income	134,186	(83,810)
Comprehensive income	143,612	(527,664)
Comprehensive income attributable to		
Comprehensive income attributable to non-controlling interests	143,612	(527,664)
Non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and non-controlling interests	31,986	(416,306)
Depreciation and amortization	603,630	154,451
Loss (gain) on sales of short-term and long-term investment securities	(1,583)	(10,239)
Increase (decrease) in allowance for doubtful accounts	921	43,891
Increase (decrease) in net defined benefit liability	5,849	6,771
Decrease (increase) in net defined benefit asset	(219,537)	(15,026)
Increase (decrease) in provision for bonuses	9,366	(5,663)
Increase (decrease) in provision for sales returns	(110,546)	128,822
Interest and dividend income	(13,053)	(17,154)
Rent income	(14,415)	(15,243)
Interest expenses	6,202	6,160
Decrease (increase) in notes and accounts receivable-trade	1,148,479	315,806
Decrease (increase) in inventories	212,876	306,018
Increase (decrease) in notes and accounts payable-trade	(290,243)	(580,239)
Other, net	(6,873)	(170,578)
Subtotal	1,363,059	(268,531)
Interest and dividend income received	13,077	17,190
Proceeds from rent income	14,435	15,243
Interest expenses paid	(6,206)	(6,140)
Income taxes paid	(34,840)	(43,095)
Net cash provided by (used in) operating activities	1,349,525	(285,333)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	600,000	-
Purchase of property, plant and equipment	(31,251)	(28,554)
Proceeds from sales of property, plant and equipment	2,160	1,420
Purchase of intangible assets	(231,046)	(338,772)
Purchase of investment securities	(20,747)	(210,656)
Proceeds from sales of investment securities	31,874	10,240
Collection of loans receivable	1,567	1,225
Net cash provided by (used in) investing activities	352,556	(565,098)
Cash flows from financing activities		
Repayments of long-term loans payable	(41,658)	(29,160)
Proceeds from issuance of bonds	991,516	-
Purchase of treasury shares	(70)	(89)
Proceeds from issuance of subscription rights to shares	-	16,944
Cash dividends paid	(332,407)	(332,642)
Net cash provided by (used in) financing activities	617,380	(344,947)
Net increase (decrease) in cash and cash equivalents	2,319,462	(1,195,378)
Cash and cash equivalents at beginning of period	10,446,666	11,782,287
Cash and cash equivalents at end of period	12,766,128	10,586,908

(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 six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)

Omitted since the Shobunsha Group has only a single business segment.

II. First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)

Omitted since the Shobunsha Group has only a single business segment.