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February 5, 2016

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2016 (Nine Months Ended December 31, 2015)

[Japanese GAAP]

Company name: Shobunsha Publications, Inc. Listing: Tokyo Stock Exchange, First Section
Stock code: 9475 URL: http://www.mapple.co.jp/english/
Representative: Shigeo Kuroda, President & Representative Director
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Scheduled date of filing of Quarterly Report: February 12, 2016
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, 2015 (April 1, 2015 – December 31, 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	%
Nine months ended Dec. 31, 2015	8,596	(6.0)	(464)	-	(425)	-	(453)	-
Nine months ended Dec. 31, 2014	9,143	0.4	72	226.4	114	92.4	85	-

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: (554) (- %)
Nine months ended Dec. 31, 2014: 197 (down 34.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	(27.25)	-
Nine months ended Dec. 31, 2014	5.15	4.94

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2015	26,858	21,119	78.5
As of Mar. 31, 2015	28,328	21,978	77.6

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 21,091 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

*** 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 Dec. 31, 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 Dec. 31, 2015:	679,814 shares	As of Mar. 31, 2015:	679,714 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	16,627,953 shares	Nine months ended Dec. 31, 2014:	16,628,272 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 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 "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

During the first nine months of the current fiscal year (from April 1, 2015 to December 31, 2015) (hereafter referred to as “the current period”), the Japanese economy gradually recovered owing in part to falling crude oil prices and economic stimulus packages put together by the government and the Bank of Japan; however, the country’s economic outlook remains uncertain as the Chinese economy has slowed down and other factors have kicked in.

Against this backdrop, the Shobunsha Group have been involved in a variety of services for foreign tourists visiting Japan during the current period, including activities to achieve joint projects with a number of overseas companies 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 these tourists. We have also improved the functions of and extended products corresponding to *Mapple-Link*, an electronic supplement to our *Mapple Magazine* that offers the idea of the combined use of a guidebook and application for a new style of travel. Our e-business sales for the current period dropped substantially to 2,457 million yen, down 743 million yen (23.2%) 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 204 million yen (4.0%) year on year to 5,325 million yen. The first quarter saw a significant decrease in returned products and an increase in sales owing to revised Japan travel guidebooks, just as initially expected, while sales at bookstores unexpectedly slowed down over the summer (the highest selling season for products in this segment) during the second quarter. We nevertheless achieved a year-on-year increase in sales for the current period due in part to good sales of small-sized *Mapple Magazines* and to the launch of the small-sized *Mapple Cho-Shosai! Sanpo Chizu* (Mapple’s super-detailed maps for strolls). Sales of special-order products remained almost the same as the previous year’s figure. Although we continued to receive orders mainly from municipal governments for the production of their own *co-Trip booklets*, their sales did not grow as much as expected because of consumers’ increasing preference for publications in non-paper form. Also, 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 547 million yen (6.0%) year on year to 8,596 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 464 million yen (compared with operating income of 72 million yen in the same period of the previous fiscal year), ordinary loss was 425 million yen (compared with ordinary income of 114 million yen), and loss attributable to owners of parent was 453 million yen (compared with a profit of 85 million yen).

(2) Explanation of Financial Position

Total assets decreased 1,470 million yen (5.2%) from the end of the previous fiscal year to 26,858 million yen at the end of the current period. This was mainly due to decreases in cash and deposits of 1,784 million yen and merchandise and finished goods of 370 million yen, which were partially offset by increases in work in process of

360 million yen, database of 100 million yen and software of 242 million yen. Total liabilities decreased 611 million yen (9.6%) from the end of the previous fiscal year to 5,738 million yen. This was mainly due to decreases in notes and accounts payable-trade of 254 million yen, provision for bonuses of 233 million yen and other under current liabilities of 106 million yen, which were partially offset by an increase in provision for sales returns of 69 million yen. Total net assets decreased 858 million yen (3.9%) from the end of the previous fiscal year to 21,119 million yen. This was mainly due to a decrease in retained earnings of 785 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 0.9 percentage point to 78.5%.

Cash flows

Cash and cash equivalents (hereafter “net cash”) at the end of the current period on a consolidated basis decreased 1,184 million yen from the end of the previous fiscal year to 10,598 million yen.

Net cash used in operating activities was 739 million yen. The main factors were loss before income taxes and non-controlling interests of 415 million yen, depreciation and amortization of 238 million yen, a 69 million yen increase in provision for sales returns and a 52 million yen decrease in notes and accounts receivable-trade, while there was a 233 million yen decrease in provision for bonuses and a 254 million yen decrease in notes and accounts payable-trade.

Net cash used in investing activities was 84 million yen. The main factors were purchases of intangible assets and investment securities of 443 million yen and 211 million yen, respectively, which were partially offset by proceeds from withdrawal of time deposits of 600 million yen.

Net cash used in financing activities was 359 million yen. The main factor was the cash dividends paid of 333 million yen.

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

Our retail publishing and e-business sales for the current period were lower than the earnings forecasts that was announced in October last year. While, in particular, the decrease in high-margin e-business sales has a certain impact on our profits, we anticipate that we will be able to secure profits on a full-year basis because small-sized *Mapple Magazines* in the category of retail publishing have been enjoying brisk sales and more titles of small-sized series that were originally not planned will be published to boost sales. We will also continue to cut costs and overhead expenses to help secure a certain level of profits.

As a result, there are no revisions to the full-year earnings forecasts that was announced on October 29, 2015.

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 ended 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 applied 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 nine months of the previous fiscal year and consolidated financial statements for the previous fiscal year.

Regarding the application of the Accounting Standard for Business Combinations and other standards, the Company has applied the provisional accounting treatment contained in the Accounting Standard for Business Combinations 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)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	11,357,006	9,572,589
Notes and accounts receivable-trade	3,081,905	3,029,523
Securities	1,025,280	1,025,466
Merchandise and finished goods	1,576,603	1,206,030
Work in process	350,861	711,317
Raw materials and supplies	6,411	3,679
Other	82,994	149,139
Allowance for doubtful accounts	(538)	(559)
Total current assets	17,480,525	15,697,187
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,545,199	2,449,821
Land	4,213,950	4,213,950
Other, net	130,424	124,481
Total property, plant and equipment	6,889,574	6,788,254
Intangible assets		
Database	-	100,871
Software	316,332	558,872
Other	9,412	9,301
Total intangible assets	325,745	669,045
Investments and other assets		
Investment securities	2,043,170	2,087,382
Net defined benefit asset	1,356,154	1,391,280
Other	614,488	649,990
Allowance for doubtful accounts	(381,208)	(424,947)
Total investments and other assets	3,632,605	3,703,705
Total non-current assets	10,847,925	11,161,005
Total assets	28,328,450	26,858,192

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,305,829	1,051,237
Short-term loans payable	770,000	770,000
Current portion of long-term loans payable	50,017	24,996
Income taxes payable	67,244	42,550
Provision for bonuses	362,405	128,875
Provision for sales returns	607,277	676,905
Other	719,950	613,196
Total current liabilities	3,882,723	3,307,760
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term loans payable	20,838	2,091
Deferred tax liabilities	1,134,888	1,091,993
Provision for directors’ retirement benefits	224,500	241,200
Net defined benefit liability	85,002	93,498
Other	2,092	2,092
Total non-current liabilities	2,467,320	2,430,874
Total liabilities	6,350,044	5,738,635
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	215,042
Treasury shares	(525,281)	(525,371)
Total shareholders’ equity	21,087,507	20,301,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	936,631	823,053
Remeasurements of defined benefit plans	(45,732)	(33,075)
Total accumulated other comprehensive income	890,898	789,977
Subscription rights to shares	-	27,803
Total net assets	21,978,406	21,119,557
Total liabilities and net assets	28,328,450	26,858,192

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

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

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	9,143,766	8,596,543
Cost of sales	6,288,851	5,949,935
Gross profit	2,854,915	2,646,607
Provision for sales returns-net	(225,813)	69,628
Gross profit-net	3,080,728	2,576,979
Selling, general and administrative expenses	3,007,930	3,041,773
Operating income (loss)	72,797	(464,794)
Non-operating income		
Interest income	1,981	1,886
Dividend income	19,799	26,368
Rent income	21,849	22,865
Dividend income of insurance	4,259	4,052
Other	22,560	13,287
Total non-operating income	70,451	68,460
Non-operating expenses		
Interest expenses	9,223	9,130
Share issuance cost	-	10,858
Bond issuance cost	8,483	-
Cost of lease revenue	6,618	6,617
Other	4,152	2,212
Total non-operating expenses	28,478	28,818
Ordinary income (loss)	114,771	(425,152)
Extraordinary income		
Gain on sales of non-current assets	550	1,422
Gain on sales of investment securities	1,583	10,239
Total extraordinary income	2,133	11,662
Extraordinary losses		
Loss on sales of non-current assets	104	1
Loss on retirement of non-current assets	609	2,345
Total extraordinary losses	713	2,347
Income (loss) before income taxes and non-controlling interests	116,191	(415,837)
Income taxes-current	59,655	31,120
Income taxes-deferred	(29,045)	6,121
Total income taxes	30,609	37,242
Profit (loss)	85,582	(453,080)
Profit (loss) attributable to owners of parent	85,582	(453,080)

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

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Profit (loss)	85,582	(453,080)
Other comprehensive income		
Valuation difference on available-for-sale securities	318,716	(113,577)
Remeasurements of defined benefit plans, net of tax	(206,935)	12,656
Total other comprehensive income	111,780	(100,920)
Comprehensive income	197,362	(554,001)
Comprehensive income attributable to:		
Owners of parent	197,362	(554,001)
Non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and non-controlling interests	116,191	(415,837)
Depreciation and amortization	909,152	238,739
Loss (gain) on sales of short-term and long-term investment securities	(1,583)	(10,239)
Increase (decrease) in allowance for doubtful accounts	607	43,760
Increase (decrease) in net defined benefit liability	7,367	8,495
Decrease (increase) in net defined benefit asset	(291,421)	(22,469)
Increase (decrease) in provision for bonuses	(215,866)	(233,530)
Increase (decrease) in provision for sales returns	(225,813)	69,628
Interest and dividend income	(21,780)	(28,255)
Rent income	(21,849)	(22,865)
Interest expenses	9,223	9,130
Decrease (increase) in notes and accounts receivable-trade	1,042,384	52,382
Decrease (increase) in inventories	71,472	12,847
Increase (decrease) in notes and accounts payable-trade	(259,003)	(254,591)
Other, net	66,967	(168,260)
Subtotal	1,186,047	(721,066)
Interest and dividend income received	21,876	28,556
Proceeds from rent income	21,997	22,865
Interest expenses paid	(9,180)	(9,068)
Income taxes paid	(47,477)	(61,255)
Net cash provided by (used in) operating activities	1,173,263	(739,967)
Cash flows from investing activities		
Payments into time deposits	(600,000)	-
Proceeds from withdrawal of time deposits	600,000	600,000
Purchase of property, plant and equipment	(50,330)	(43,557)
Proceeds from sales of property, plant and equipment	2,597	1,422
Purchase of intangible assets	(350,948)	(443,464)
Purchase of investment securities	(26,098)	(211,016)
Proceeds from sales of investment securities	31,874	10,240
Collection of loans receivable	2,593	2,080
Net cash provided by (used in) investing activities	(390,313)	(84,296)
Cash flows from financing activities		
Repayments of long-term loans payable	(62,487)	(43,768)
Proceeds from issuance of bonds	991,516	-
Purchase of treasury shares	(186)	(89)
Proceeds from issuance of subscription rights to shares	-	16,944
Cash dividends paid	(332,747)	(333,053)
Net cash provided by (used in) financing activities	596,095	(359,966)
Net increase (decrease) in cash and cash equivalents	1,379,045	(1,184,231)
Cash and cash equivalents at beginning of period	10,446,666	11,782,287
Cash and cash equivalents at end of period	11,825,711	10,598,056

(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 FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)

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

II. First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)

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

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.