(Translation)

September 8, 2017

Dear Sirs:

Company Name:	Shobunsha Publications, Inc.
Representative:	Shigeo Kuroda, President & Representative Director
Stock Code:	9475 (Tokyo Stock Exchange, First Section)
Contact:	Shinya Ohno, Director, General Manager, Business Administration Division
Telephone:	+81-3-3556-8171

(Corrections)

Announcement of Corrections to Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016

Shobunsha Publications, Inc. has made the following corrections to Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 announced on May 13, 2016.

1. Reason for corrections

Information about the corrections has been provided in the September 8, 2017 press release titled "Announcement of Submission of First Quarter Report for Fiscal Year Ending March 2018, Submission of Corrected Securities Reports, Etc. for Prior Years and Corrections to Summary of Consolidated Financial Results for Prior Years."

2. Detail of corrections

The complete documents before and after corrections are provided due to the large number of corrections. Sections that have been corrected are underlined.

(After corrections)

May 13, 2016

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (FY3/16)

[Japanese GAAP]

Company name: Shobunsha Publications, Inc. Listing: Tokyo Stock Exchange, First Section
Stock code: 9475 URL: http://www.mapple.co.jp/
Representative: Shigeo Kuroda, President & Representative Director
Contact: Shinya Ohno, Director, General Manager, Business Administration Division Tel: +81-3-3556-8171
Scheduled date of Annual General Meeting of Shareholders: June 29, 2016
Scheduled date of payment of dividend: June 30, 2016
Scheduled date of filing of Annual Securities Report: June 29, 2016
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated results of operations (Percentages for net sales and incomes 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	%
Fiscal year ended Mar. 31, 2016	13,035	5.2	306	-	363	-	513	-
Fiscal year ended Mar. 31, 2015	12,395	(10.6)	(934)	-	(887)	-	(6,582)	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2016: (45) (- %)
Fiscal year ended Mar. 31, 2015: (6,294) (- %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2016	30.89	28.26	2.3	1.3	2.4
Fiscal year ended Mar. 31, 2015	(395.85)	-	(25.6)	(2.8)	(7.5)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2016: - Fiscal year ended Mar. 31, 2015: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	28,063	22,088	78.6	1,326.73
As of Mar. 31, 2015	28,328	22,438	79.2	1,349.43

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 22,060 As of Mar. 31, 2015: 22,438

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2016	(942)	(524)	(366)	9,949
Fiscal year ended Mar. 31, 2015	1,210	(504)	629	11,782

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2015	-	0.00	-	20.00	20.00	332	-	1.3
Fiscal year ended Mar. 31, 2016	-	0.00	-	20.00	20.00	332	64.7	1.5
Fiscal year ending Mar. 31, 2017 (forecasts)	-	0.00	-	20.00	20.00		415.8	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(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
First half	5,340	(11.4)	(440)	-	(410)	-	(420)	-	(25.26)
Full year	12,360	(5.2)	60	(80.5)	110	(69.7)	80	(85.1)	4.81

(After corrections)

*** 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) 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

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2016: 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 Mar. 31, 2016: 679,814 shares As of Mar. 31, 2015: 679,714 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016: 16,627,948 shares Fiscal year ended Mar. 31, 2015: 16,628,225 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	12,218	9.8	212	-	252	-	421	-
Fiscal year ended Mar. 31, 2015	11,125	(10.6)	(1,144)	-	(1,110)	-	(6,303)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2016	25.35	23.19
Fiscal year ended Mar. 31, 2015	(379.11)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	27,234	21,639	79.4	1,299.73
As of Mar. 31, 2015	27,223	21,850	80.3	1,314.07

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 21,611 As of Mar. 31, 2015: 21,850

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes)

	Net sales		Ordinary income		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,930	(11.6)	(340)	-	(350)	-	(21.05)
Full year	11,300	(7.5)	130	(48.5)	110	(75.3)	6.62

* Information regarding the implementation of audit procedure

This report is exempted from audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedures for the financial statements have not been completed.

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

Cautionary statement with respect to forward-looking statements

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, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations, Outlook" on page 3 of attachments for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

The Company plans to hold a results presentation for analysts in early June 2016. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

(After corrections)

Contents of Attachments

1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

1) Summary of the fiscal year

In the fiscal year that ended on March 31, 2016 (from April 1, 2015 to March 31, 2016), the Japanese economy gradually recovered owing in part to falling crude oil prices along with economic stimulus packages by the government and monetary easing by the Bank of Japan; however, the country's economic outlook remains uncertain as the global economy in the latter half of the period incurred downside risk due to a slowdown in China and corporate profits did the same because of stronger yen and lower share prices.

Against this backdrop, the Shobunsha Group have been involved in a variety of services for foreign tourists visiting Japan during the current fiscal year, 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 targeting foreign tourists visiting Japan. We additionally launched "DiGJAPAN!" website offering contents exploring local items in detail by foreign editors 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 app as a new style of travel. As a result, we have achieved results exceeding 4 million downloads. On February 1, 2016, we established Tripcon Co., Ltd., a wholly-owned subsidiary, to develop business that provides a trip-related platform associated with inbound businesses.

Our e-business sales for the current fiscal year dropped substantially to 3,503 million yen, down 860 million yen (19.7%) 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 app for portable navigation devices (PND), despite an increase in sales from inbound business and of various apps for smartphones. Sluggish sales of light motor vehicles also had a larger than expected impact on sales of *Mapple Navi*. Additionally, retail publishing sales increased 1,477 million yen (22.8%) year on year to 7,950 million yen. Although we saw a significant decrease in returned products at the beginning of the current fiscal year as we had initially expected, sales at bookstores unexpectedly slowed down over the summer (the highest selling season for products in this segment). On the other hand, in addition to updating editions of the *Tabimaru* series of Japan guidebooks, we have published more titles: new series of guidebook "*Nippon Kuruma Tabi* (Trip by Car in Japan)", "*Polyglot Maps, TOKYO and KYOTO*" and "*Shutoken-hatsu, Higaeri, Otona-no Chiisana Tabi* (Daytrip from the Tokyo Metropolitan Area, Small Trip for Adults)," products targeting foreign tourists visiting Japan, and the second guidebooks collaborated with TripAdvisor. Moreover, we achieved a year-on-year increase in sales for the current fiscal year due in part to good sales of small-sized *Mapple Magazines* and small-sized *Mapple Cho-Shosai! Sanpo Chizu* (*Mapple*'s super-detailed maps for strolls). Sales of special-order products achieved higher sales than those in the previous fiscal year. We continued to receive orders mainly from municipal governments for the production of their own *co-Trip* booklets with leverage of our *co-Trip* brand, while consumers are continuously increasing preference for publications in non-paper form. Also, advertising revenue as well as fees and commissions was higher. Overall, consolidated sales for the current fiscal year increased 639 million yen (5.2%) year on year to 13,035 million yen.

In terms of profitability, there were three factors to negatively affect a cost of sales ratio: a decline in sales of e-businesses, which had enjoyed a high profit margin, an increase in expenses associated with accounting for retirement benefits, and a substantial increase in provision for sales returns. While a cost of sales ratio was deteriorated, the amount of cost of sales significantly declined because of a decrease in amortization of database as a result of recognition of impairment loss in the previous fiscal year, a reduction in maintenance expense, and an effect of cutting costs in the retail publishing. Selling, general and administrative expenses also decreased year on year mainly because of a reduction advertising expenses, research and development expenses, business consignment expenses, and amortization of goodwill, while there were increases in up-front investments and operating expenses for the new inbound business and expenses associated with accounting for retirement benefits. Consequently, operating income for the current fiscal year was 306 million yen (compared with operating loss of 934 million yen in the same period of the previous fiscal year), ordinary income was 363 million yen (compared with ordinary loss of 887 million yen). Furthermore, we reported extraordinary income of 171 million yen for gain on sales of investment securities as a result of sale of securities held. In addition, income taxes-deferred decreased by 17 million yen because we recognize deferred tax liabilities only and the effective statutory tax rate under the tax effect accounting was lowered due to a reduction of corporate tax rates. As a result, profit attributable to owners of parent was 513 million yen (compared with a loss of 6,582 million yen).

2) Sales and orders

Sales (Millions of yen)

Category	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	YoY (%)
Retail publishing			
Maps	2,318	3,206	+ 38.3
Magazines	2,949	3,281	+ 11.3
Guidebooks	1,173	1,246	+ 6.3
Practical books	31	214	+ 574.0
Subtotal	6,472	7,950	+ 22.8
Special-order products	668	732	+ 9.6
Advertising	860	801	- 6.9
e-business sales	4,363	3,503	- 19.7
Fees and commissions	30	48	+ 57.3
Total	12,395	13,035	+ 5.2

Notes: 1. The amounts are based on selling prices.
2. The above amounts do not include consumption taxes.

Orders

The Shobunsha Publications Group produces to sell the special-order products for private-sector companies, government agencies and other customers and some e-business products.

Category	Orders (Millions of yen)	YoY (%)	Order backlog (Millions of yen)	YoY (%)
Special-order products	718	2.7	47	(22.3)
e-business sales	3,317	(26.3)	176	(51.1)

Note: The above amounts do not include consumption taxes.

3) Outlook

Our core business is a publishing business and we have achieved a year-on-year increase in sales for the current fiscal year. However, the operating environment of this business has been more than ever challenging for the past several years. On the other hand, there are many new opportunities in the e-business operations because of the rapid growth in the use of smartphones and other mobile devices. To capitalize on these opportunities, we plan to increase sales of publications by further upgrading and expanding the functions of *Mapple Link*, an app that is linked to our publications. We will also aggressively promote the *co-Trip* brand extension. While we have a rather difficult situation for sales expansion of *Mapple Navi* for PNDs as well as a car navigation system for minicars, we will continue to develop a navigation system that takes full advantage of our proprietary guidance information and aim to achieve adoption to a car navigation system for standard-sized cars. Furthermore, we believe that the newly launched inbound business has a huge potential for our future business growth. We are confident that we can provide foreign tourists visiting Japan with our services so that they can obtain highly convenient and valuable information by making full use of the data and technology we have developed for the past years. We will seek alliance with leading companies abroad to drive the dissemination of our services. We will then explore a variety of revenue sources by placing ourselves in a position in which we can provide companies in need of information about foreign tourists visiting Japan with the opportunity to fulfill their needs.

Starting new businesses and taking the other actions outlined in the previous paragraph will require investments to develop new systems, strengthen our database and make other improvements. In addition, as we need to aggressively seek alliance with companies abroad, we will make necessary investments to make it happen.

In the next fiscal year ending on March 31, 2017, sales in the category of retail publishing is expected to drop significantly, because some special factors that existed in the current fiscal year, including a decrease in expenses associated with returned products at the beginning of the current fiscal year and an aggressive publication of new titles, will disappear, though the publication of the small-sized *Mapple Magazines* will contribute to sales. While we saw a fall in revenues from sales of car navigation software in the current fiscal year, we will avoid further revenue reduction in the next fiscal year. Furthermore, in addition to sales growth in the new inbound business, we expect additional revenue from a trip-related platform business provided by a newly established Tripcon Co., Ltd. In terms of cost of sales and selling, general and administrative, the inbound business-related expenses will continuously arise in advance. In particularly, the newly established Tripcon Co., Ltd. increases operating expenses and system development costs before it generates sales. We forecast a significant reversal of provision for sales returns in the next fiscal year due to building up of provision for sales returns at the end of the current fiscal year. Furthermore, we expect an increase in personnel expenses including higher retirement benefit expenses, as we changed the discount rate associated with accounting for retirement benefits because of a decline of interest rates on the Japanese Government Bonds after introducing the negative interest rate policy by the Bank of Japan.

Under such circumstances, we expect consolidated sales of 12,360 million yen (down 5.2% year on year), operating income of 60 million yen (down 80.5% year on year), ordinary income of 110 million yen (down 69.7% year on year), and profit attributable to owners of parent of 80 million yen (down 84.4% year on year) for the next fiscal year ending March 31, 2017. However, actual results may differ significantly from these forecasts for a number of factors. Furthermore, as we are now putting most of our efforts into the inbound business, we anticipate that there might be some room for achieving more-than-expected results through successfully forming the alliance with leading companies abroad and having other favorable developments going forward. A revised forecast will be announced promptly if we subsequently expect that our performance will differ significantly from these forecasts.

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, please refer to the section “(4) Business Risks.”

(2) Analysis of Financial Position

1) Balance sheet position

Total assets decreased 265 million yen, or 0.9%, from the end of the previous fiscal year to 28,063 million yen at the end of the current fiscal year. There were increases of 1,213 million yen in notes and accounts receivable-trade, 300 million yen in securities, 186 million yen in merchandise and finished goods, 157 million yen in work in process, 290 million in other current assets, 118 million yen in database, 298 million yen in software, and 107 million yen in investment securities, while there were decreases of 2,433 million yen in cash and deposits and 323 million yen in assets associated with the retirement benefit plan due to a revision of the discount rate. Total liabilities increased 84 million yen, or 1.4%, from the end of the previous fiscal year to 5,974 million yen at the end of the current fiscal year. This was mainly due to increases of 406 million yen in provision for sales returns and 345 million yen in other current liabilities, while there were decreases of 289 million yen in notes and accounts payable-trade, 134 million yen in accrued expenses and 246 million yen in deferred tax liabilities. Total net assets decreased 349 million yen, or 1.6%, from the end of the previous fiscal year to 22,088 million yen at the end of the current fiscal year. There was an increase of 181 million yen in retained earnings due to recording of profit attributable to owners of parent of 513 million yen that was partially offset by dividends of surplus of 332 million yen, while there were decreases of 327 million yen in valuation difference on available-for-sale securities and 231 million yen in remeasurements of defined benefit plans.

As a result, the equity ratio declined 0.6 percentage points to 78.6%.

2) Cash flows

Cash and cash equivalents (hereinafter "net cash") decreased 1,832 million yen from the end of the previous fiscal year to 9,949 million yen at the end of the current fiscal year on a consolidated basis. Net cash used in operating activities was 942 million yen, net cash used in investing activities was 524 million yen and net cash used in financing activities was 366 million yen.

Cash flows by category were as follows.

Net cash used in operating activities was 942 million yen. The main factors were recording of profit before income taxes of 533 million yen, depreciation and amortization of 328 million yen, an increase in provision for sales returns of 406 million yen, which were more than offset by gain on sales of securities and investment securities of 171 million yen, an increase in notes and accounts receivable-trade of 1,213 million yen, an increase in inventories of 339 million yen, a decrease in notes and accounts payable-trade of 289 million yen and a decrease in other current liabilities of 142 million yen.

Net cash used in investing activities was 524 million yen. The main factors were proceeds from withdrawal of time deposits of 600 million yen, which was more than offset by purchase of property, plant and equipment of 55 million yen, purchase of intangible assets of 576 million yen and purchase of investment securities of 511 million yen.

Net cash used in financing activities was 366 million yen. The main factors were proceeds from issuance of subscription rights to shares of 16 million yen, which was more than offset by repayment of long-term loans payable of 50 million yen as well as cash dividends paid of 333 million yen.

Cash flow indicators

	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Equity ratio (%)	83.8	84.8	85.3	79.2	78.6
Equity ratio based on market value (%)	29.9	28.5	33.9	53.1	36.4
Interest-bearing debt to cash flow ratio (%)	80.1	108.5	38.0	152.1	(1.9)
Interest coverage ratio (times)	89.9	63.4	156.7	97.9	(78.9)

Notes: Equity ratio: Shareholders' equity / Total assets
Equity ratio based on market value: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
Interest coverage ratio: Operating cash flows / Interest payments
* Each indicator is calculated using financial figures stated on the consolidated basis.
* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
* Operating cash flows use the cash flows provided by operating activities on the consolidated statement of cash flows.
* Interest-bearing debt is calculated using total loans-payable on the consolidated balance sheet. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of Shobunsha Publications. The basic policy is to pay a stable dividend that reflects results of operations and the operating environment.

Retained earnings will be used for efficient investments from a long-term perspective. One use will be substantial investments for achieving rapid expansion of the e-business, which we believe has much potential for growth. Investments will be made to further strengthen and enlarge our database and to create systems and make capital expenditures required to launch services that use this database. We will also make investments to form alliances with other companies in order to expand the new businesses and adapt quickly to the rapid pace of change in the business climate.

Regarding the dividends for the current fiscal year, we will adhere to the basic policy for dividends and have decided to seek approval by shareholders at the 57th Annual General Meeting for distributing an ordinary dividend of 20 yen per share as initially planned, just as for the previous fiscal year.

Regarding the dividends for the fiscal year ending on March 31, 2017, although we will continue to face a challenging environment of the existing business, we plan to pay an ordinary dividend of 20 yen per share just as for the current fiscal year, given the forecast that we can ensure profitability by increasing sales primarily from the new businesses and by further reducing costs.

(4) Business Risks

Listed below are the risk factors that may materially influence results of operations, financial position and other aspects of the performance of the Shobunsha Publications Group. The following risk factors may have a material effect on decisions by investors.

Forward-looking statements are based on the decisions of the Shobunsha Publications Group's management as of the end of the current fiscal year.

Risks involving the database

Business operations of the Shobunsha Publications Group are centered on the Shobunsha Integrated Mapping System (SiMAP), which consists of map and guidebook information. We have a backup system for this database, including the storage of the database in several locations. However, if the database is lost or cannot be used due to unforeseen circumstances, there may be a significant effect on results of operations.

Risks involving IT systems

If there is a malfunction of the information distribution system (an interruption in the system's operations, the inability to send maps properly or other problems), group companies may lose profit opportunities until the system is restored. Furthermore, customers and others may lose confidence in this system and there is a possibility that we will be asked to pay damages if the system malfunction causes losses for customers or others. We have designed this system to prevent such problems, but the occurrence of a significant loss from an IT system malfunction may have a significant effect on results of operations.

Risks involving technological innovation

A large number of new technologies are required to operate the e-business operations of the Group. Technologies involving the transmission of information are particularly critical, and the pace of progress for these technologies is very fast. Although we are conducting R&D activities involving new technologies, we may fall behind in developing technologies or our technologies may become outdated. If these problems prevent us from generating sufficient earnings in relation to the corresponding investments, there may be an effect on results of operations.

Risks involving the development of new products and services

The continuity of business operations requires the provision of new products and services that reflect changes in the social environment and customers' needs. We are currently introducing many new products and services that reflect current market conditions. However, if development activities are delayed, become more costly or cannot be continued, or if we are unable to reach our sales targets, there may be an effect on results of operations.

Risks involving quality

We have a Quality Control Department and there are many activities at group companies to ensure the quality of our products and services. However, there is still a possibility of defects that cannot be foreseen. If a defect occurs, there may be expenses to collect a product, expenses for litigation and damages, a loss of confidence in our group, a decline in sales, or other problems that may have an effect on results of operations.

Risk of inability to recover investments in new businesses

We have made substantial investments to start a navigation service and hotel booking service. In addition, we have launched the inbound business targeting tourists visiting Japan. If these new businesses do not perform as planned and we are unable to earn sufficient profits in relation to the corresponding investments, there may be an effect on results of operations.

Risk of inability to recover investments to reinforce and upgrade the database

We have made substantial investments to reinforce and upgrade SiMAP, which is the core competence of the Shobunsha Publications Group. Maintaining this database is essential for conducting our e-business activities, which will be vital to our operations in the coming years. If this database does not produce sufficient earnings in our publishing and e-business operations in relation to the amount of resources used, there may be an effect on results of operations.

Risks involving dependence on specific companies

The Shobunsha Publications Group has operated a publishing business that involves primarily maps and guidebooks for many years. We have used this business to accumulate substantial map and travel guide data. This data is contained in our SiMAP database, which we are currently using to expand our e-business operations with the goal of making it into our second core business. However, publishing still accounts for more than half of sales (72.8%).

Book stores are the primary sales channel for the publishing business. In this business, three companies account for approximately 72.4% of sales. Two of these companies are TOHAN CORPORATION and Nippon Shuppan Hanbai Inc., Japan’s major distributors of publications. Using these companies gives us access to a nationwide distribution network that includes small and midsize bookstores. These companies also shield us from credit risk. The third company is Nihon Chizu Kyohan Co., Ltd., which specializes in the distribution of maps. Consequently, the operations of these three companies may have a significant effect on results of operations.

In addition, in the car navigation business, there is a significant reliance on a specific hardware supplier. If the performance of this company worsens and we are unable to locate an alternate supplier, there may be an effect on results of operations.

Risks involving returned products

In the publishing business, there is a system in Japan at book distributors and book stores for the return of products. Based on this system, sales are recorded at the time products are shipped to these distributors and stores. But we promise to subsequently accept all products that are returned. As a result, even when the value of publications have declined for some reason, we must accept the return of these publications that were held as inventory at book stores irrespective of the time that the publications were initially sold. Returned products are deducted from sales, which may result in a sales decline that is larger than the corresponding decline in our inventory. Furthermore, since most of our publications provide information, it is often difficult to treat returned books as inventory items that can be shipped to stores again. In most cases, returned books are discarded. We have a provision for sales returns based on losses resulting from the usual rate of returns. This allowance covers the profit from the sale of books that are subsequently returned and expenses for discarding the returned books. If books are returned at a higher than normal rate, sales would decline in relation to the cost of sales. As a result, the gross profit margin may decline at a rate that is higher than the percentage by which sales fall.

Credit risk

Although group companies take various actions concerning credit risk involving counterparties and others, there is a risk of an unforeseen bankruptcy of counterparty due to fraud, poor performance or other reasons. If such events result in additional losses or additions to the allowance for doubtful accounts, there may be an effect on results of operations.

Risks concerning the Geospatial Information Authority of Japan

The primary elements of the map data of the Shobunsha Publications Group and data updates are based on the topographic and other maps issued by the Geospatial Information Authority of Japan. If this authority stops permitting the use of this information or establishes restrictions on items that are critical to our business operations, or if this authority starts producing map data similar to ours for free distribution, there may be a significant effect on results of operations.

Financial risk

- Asset impairment accounting

In prior years, the Shobunsha Publications Group has posted impairment losses for database, software, non-current assets, leased assets and other items. In the future, there may be additional impairment losses depending on the ability to recover investments and the level of utilization for our database, non-current assets and other assets. These losses may have a significant effect on results of operations.

- Retirement benefit obligations

The Shobunsha Publications Group has expenses for retirement benefit payments and retirement benefit obligations that are calculated by using a discount rate, employee salaries, the rate of employee resignations and retirements, the expected long-term rate of return on pension plan assets, and other items. These figures are determined by using various estimates for actuarial calculations. If actual retirement benefit expenses and obligations differ significantly from the amounts obtained by using these calculations and estimates, there may be an effect on results of operations.

Risks concerning fund procurement

There are currently substantial up-front investments for the expansion of e-business operations, such as investments to reinforce and enlarge the database and to develop various IT systems. Since users’ needs are changing rapidly in this business sector, there may be a need for more large investments. If the financial condition of a major counterparty worsens or certain amounts due cannot be collected or the collection is delayed, we may need to procure funds from external sources. If we are unable to procure funds from external sources, there may be a significant effect on our ability to continue operation.

Risks concerning intellectual property

Other companies in Japan currently have many patents pending that involve digital maps and Internet businesses. We believe that these patent applications do not pose a serious threat to our business operations at this time. However, if there are new patent applications, a current application is approved or other events occur, there may be a patent infringement problem involving technologies and other items used by the businesses of the Shobunsha Publications Group. If this happens, we may be required to pay for damages or stop activities that use a particular patent. These events may have a significant effect on results of operations.

In addition, even in the event that we receive permission to use a patent or other intellectual properties of other companies, the resulting royalty payments and other expenses may have a significant effect on results of operations.

Risks concerning alliance with companies abroad

In the inbound business targeting tourists visiting Japan, which is a new business for the Group, it is critically important to implement a strategy to form business and other alliances with companies abroad because such alliances could significantly expand our businesses. However, we should implement the strategy very carefully, bearing in mind that such alliances may cause losses due to differences in business customs and legal systems. It is thus possible that implementing this strategy may cause substantial loss.

Risks concerning regulations

Our business operations must comply with laws and regulations involving intellectual property rights and many other items. Major revisions to a law or regulation or the establishment of a new law or regulation that seriously related to our business operations may have an effect on results of operations.

Risks concerning personal information

We manage the personal information of customers and others in accordance with our personal information management rules, internal network management rules and other rules. We are always improving our personal information management system and taking other actions to prevent leaks. However, there may be a leak or other problem involving personal information resulting from unauthorized access from outside of the group or some other unforeseen event. If this happens, there may be an effect on results of operations and the public's confidence in the Shobunsha Publications Group.

Risks concerning internal management systems

The Shobunsha Publications Group has a framework for ethical behavior by employees that consists of a code of ethics, code of conduct and compliance guidelines. We have programs to ensure that everyone understands and closely follows these guidelines for behavior. We also have a system of internal controls. However, due to the limitations on the capabilities of internal control systems, there is no assurance that our system eliminates all risks associated with internal management. Consequently, there is a possibility of a violation of laws, regulations and guidelines. In the event of such a violation, the resulting government administrative guidance, loss of public trust in our Group, payment for damages and other potential consequences may have an effect on results of operations.

Risks concerning the workforce

We are aware that recruiting and training skilled workers is vital to strengthen our ability to achieve business growth. If we are unable to recruit talented individuals for the company or if these individuals leave for jobs at other companies, the resulting impediments to our business operations may have an effect on results of operations.

Risks concerning natural disasters

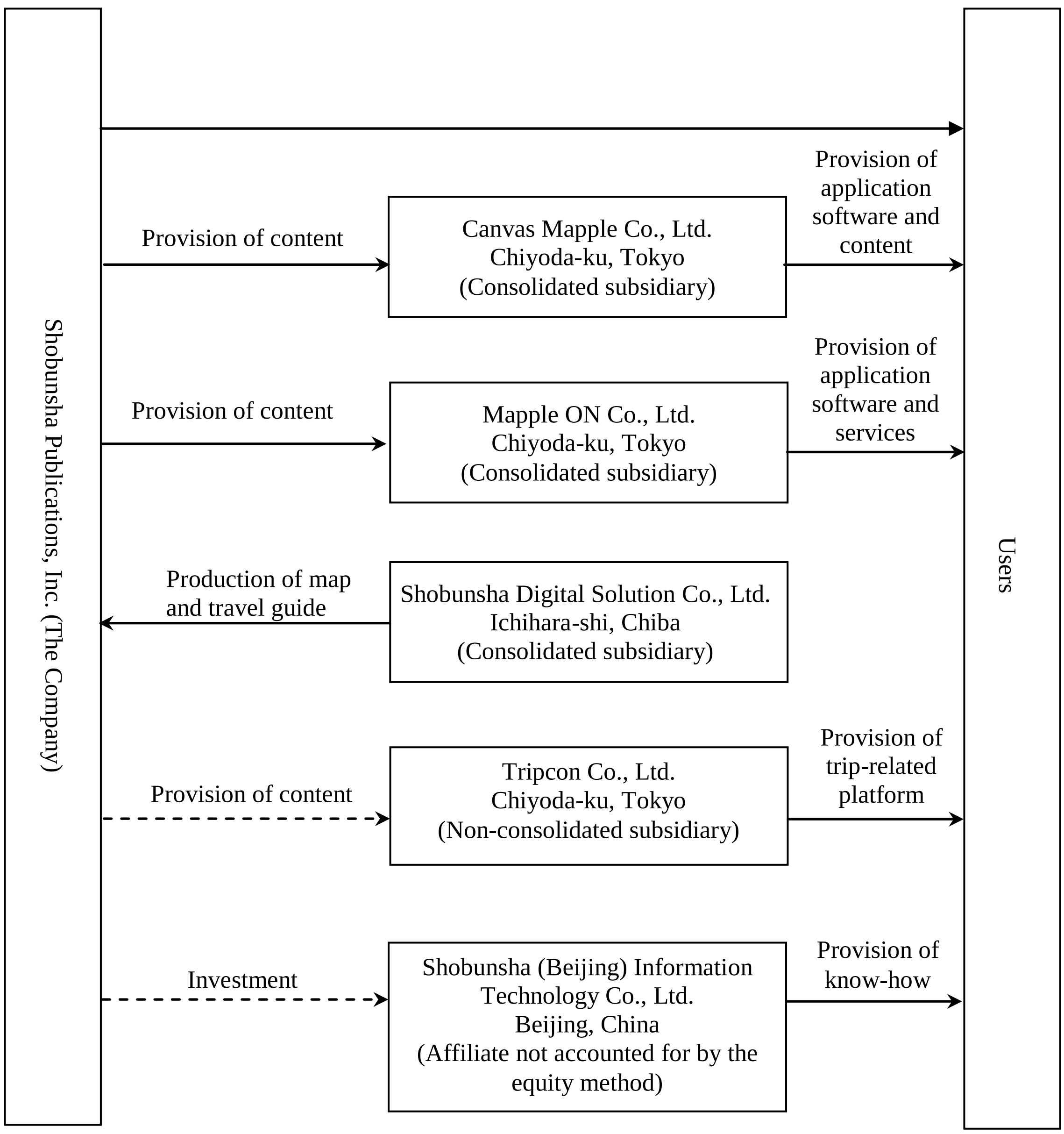
Most of our operations are located in the Tokyo metropolitan area. If there is a major earthquake, typhoon or other natural disaster in this area, there may be delays in shipments because of suspended production due to damage to equipment and disruptions in our distribution infrastructure. Also, in the event our distribution centers storing products suffer from those disasters, and if their products are destroyed by such as fire, although temporary, retrieval of the products may become infeasible. These events may have a significant effect on results of operation. Furthermore, in the core publishing business, since we outsource tasks extending from writing articles and books to the production of publications. As a result, even if there is no damage to the equipment of group companies, there is a risk of delays and disruptions caused by damage at companies that perform these tasks on an outsourcing basis.

(After corrections)

2. Corporate Group

The Shobunsha Publications Group is engaged in the planning, production and sale of maps, magazines and guidebooks that use the group's proprietary map and guide data. There is also a map and travel information distribution business that involves the planning, production and sale of digital database information as well as services that use this database.

The Shobunsha Publications Group consists of Shobunsha Publications, Inc., three consolidated subsidiaries, one non-consolidated subsidiary and one affiliate not accounted for by the equity method. Consolidated subsidiary Canvas Mapple Co., Ltd. operates a navigation business. This subsidiary plans, develops and sells *Mapple Navi*, a navigation app that uses Shobunsha Publications's map and travel guide content. Canvas Mapple also sells content to manufacturers of car navigation systems. Mapple ON Co., Ltd. plans, develops and sells app for smartphones and other mobile devices and has an Internet advertising business. Shobunsha Digital Solution Co., Ltd. performs planning and production activities for the Shobunsha Publications' digital database. Furthermore, during the current fiscal year, the Company incorporated a wholly-owned subsidiary named Tripcon Co., Ltd. on February 1, 2016 to develop a business providing a trip-related platform. For the purpose of financial reporting for the current fiscal year, we have treated this company as a non-consolidated subsidiary from the materiality point of view as it is just two months old and has not started its operations yet.



(After corrections)

Group companies

Name	Location	Capital (Millions of yen)	Main business	Share of voting rights (%)	Relationship
<Consolidated subsidiary> Canvas Mapple Co., Ltd.	Chiyoda-ku, Tokyo	450	Car navigation service	100.0	Provision of content in the car navigation business Concurrent directors
<Consolidated subsidiary> Mapple ON Co., Ltd.	Chiyoda-ku, Tokyo	80	Mobile service	100.0	Provision of content to apps for mobile devices (mobile phones and smartphones) Concurrent directors
<Consolidated subsidiary> Shobunsha Digital Solution Co., Ltd.	Ichihara-shi, Chiba	458	Digital data production	100.0	Planning and production of database for the Company's e-business operations Concurrent directors
<Non-consolidated subsidiary> Tripcon Co., Ltd.	Chiyoda-ku, Tokyo	150	Trip-related platform	100.0	Provision of trip-related platform
<Affiliate not accounted for by the equity method> Shobunsha (Beijing) Information Technology Co., Ltd.	Beijing, China	150	Map production	49.0	Invest in map content business in China

3. Management Policies

(1) Basic Management Policy

Since its inception, Shobunsha Publications has been guided by the philosophy of "growing in an age of change and contributing to society by taking on unlimited challenges related to maps." We are dedicated to creating the best possible maps to meet our customers' needs and supplying the most reliable and up-to-date information possible.

Furthermore, based on the corporate slogan of "the constant pursuit of innovation," we have established the publishing business, which involves primarily maps and travel guidebooks.

In recent years, there has been a shift from paper to electronic channels for the distribution of information. This shift has made it possible to supply a multitude of people with an extremely large and diverse range of information. In this environment, the Shobunsha Publications Group has established the new corporate philosophy of "using travel to bring the world together and using curiosity to make the world more sensitive" with the goal of contributing to society. We want to do more than merely supply geographic information. By distributing carefully selected information about travel and other outings, our objective is to help people have experiences become happy memories. We want to invigorate Japan by enabling many people to be happy and enjoy travel and new experiences. We envision the use of travel to create a peaceful and fulfilling world with no wars or disputes.

Based on this new philosophy, we will concentrate on accomplishing the following four fundamental goals.

1. Offer a comprehensive lineup of support for travel activities.
2. Create brand value associated with travel and other outings.
3. Achieve both localization and globalization.
4. Place priority on resonance and collaboration.

(2) Target Performance Indicators

While the Group's conventional business is centered around the "provision of map and tourism information," the delivery format of such information is being radically shifted from printed publication to digital media. Furthermore, we are also witnessing rapid shift of digital media, e.g. the shift from PCs to smartphones, and the shift from car-mount navigations to PNDs and then to smartphone apps. In such a drastically changing business environment, there is a trend of sharp falling sales from the conventional publishing business, and the Group's sales for the past several years also followed this trend. Against this backdrop, we will strive to achieve profitable operations by quickly establishing and expanding the newly launched inbound business targeting tourists visiting Japan, on top of promptly increasing sales through providing information with digital media to the extent that can more than offset a decrease in sales from the publishing business and thus ensuring sustainable growth of sales.

(3) Medium- and Long-term Business Strategy

Strategic objectives are as follows based on the above management policies.

1. To offer a comprehensive lineup of support for travel activities, our goal is to increase the value of travel experiences from the standpoint of customers. This commitment extends from the creation of the desire to travel to travel planning and arrangements, assistance for lodging and sightseeing, and organizing cherished travel memories.
2. To create brand value associated with travel and other outings, we will build on the brand value of the product brands *Mapple* and *co-Trip* and increase the value of MAPPLE as a corporate brand as the foundation for these product brands. We want these to remain as the brands that people choose for their travel needs.
3. To achieve both localization and globalization, we will assist individual areas of Japan in creating a sustainable tourism industry. Relationships produced by traveling lead to greater mutual understanding and empathy. We also aim to help create a peaceful and fulfilling world in which anyone can travel with no worries.
4. To place priority on resonance and cooperation, we will look beyond our current activities to seek the power of

resonance for new and interesting activities. We will also use the power of collaboration, which is created from the aggregate power of our users, business partners and employees. We will aim for more innovation by placing priority on these two types of power.

(4) Challenges

A rapid shift to digital technology for the distribution of information has taken place during the past several years. This shift is forcing companies that supply information to focus even more on developing highly convenient products and services that utilize the advantages of paper and all other types of media.

For the Shobunsha Publications Group, it is imperative to offer a broad array of services that can supply carefully selected information that truly has value. These services must encompass all types of media and devices.

Dramatic reforms will be needed for the Group's planning and production operations as actions are taken for multi-device information provision and offering the most suitable products and services. In particular, we must move quickly to build a production infrastructure that spans all types of media. Starting in the fiscal year that ended on March 31, 2014, group companies have been working on combining digital content production and publication production in order to achieve a "single-source multi-use" operating framework.

In the fiscal year that ended on March 31, 2016, we began free distribution of the *Mapple Link* smartphone app, which links travel guidebooks and magazines, in order to add value to publications. Now we need to work even harder on providing a source of services that are even easier to use and even more useful.

For *co-Trip*, which is very popular among women who like to travel, we have been leveraging the power of this brand for a large number of tie-ups with products other than publications. To go one more step, we must utilize the *co-Trip* brand in a diverse range of other industries.

While the operating environment has been challenging for our core businesses of the publishing business and electronic business, we will proactively carry out activities involving inbound business. Japan has been attracting an increasingly larger number of foreign tourists. Faster growth in the number of these tourists is expected, in part due to Tokyo's selection to host the 2020 Summer Olympics. Growth in tourists from other countries creates an excellent opportunity for the Shobunsha Publications Group, which has a large amount of travel information. We position the inbound business, which supplies information to foreign tourists, as one of our most important operations and must quickly expand the service lineup. We have already started by setting up Facebook pages for Taiwan and Thailand. While we have already started providing the smartphone app called "DiGJAPAN!," which is an app for sightseeing tourists available in five languages, upgrading its service level is urgently needed. Among others, as it is critically important for us to reach Chinese tourists who are dominant in terms of the number of foreign tourists visiting Japan and their purchasing power, we will aggressively seek business alliance with Chinese companies so that we can access to more Chinese users more quickly than any other competitors. Now we need to move quickly to add more services.

Maintaining and improving the quality of content will be vital as we continue to supply information that is used by the general public. We have already established policies for specific activities so that all employees of the Shobunsha Publications Group can participate in quality assurance. These activities are overseen by departments responsible for quality assurance. We will continue to prioritize activities aimed at further improving the quality of our content.

The entire Shobunsha Publications Group is determined to use the resources needed to overcome these challenges and achieve the group's goals.

(5) Other Important Management Items

Not applicable.

(After corrections)

4. Basic Approach to the Selection of Accounting Standards

The Shobunsha Publications Group uses generally accepted accounting principles in Japan because group companies operate primarily in Japan and there is normally no need to procure funds in other countries. In addition, the use of Japanese accounting principles facilitates comparisons with other companies in Japan in the same industry.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Assets		
Current assets		
Cash and deposits	11,357,006	8,923,918
Notes and accounts receivable-trade	3,081,905	4,295,780
Securities	1,025,280	1,325,527
Merchandise and finished goods	1,576,603	1,762,628
Work in process	350,861	507,893
Raw materials and supplies	6,411	3,118
Other	82,994	373,378
Allowance for doubtful accounts	(538)	(808)
Total current assets	17,480,525	17,191,437
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,426,989	7,416,273
Accumulated depreciation	(4,881,790)	(4,998,528)
Buildings and structures, net	*2 2,545,199	*2 2,417,745
Machinery, equipment and vehicles	483,411	482,478
Accumulated depreciation	(437,998)	(447,640)
Machinery, equipment and vehicles, net	45,413	34,838
Tools, furniture and fixtures	1,009,677	946,317
Accumulated depreciation	(924,666)	(866,365)
Tools, furniture and fixtures, net	85,010	79,952
Land	*2 4,213,950	*2 4,213,950
Total property, plant and equipment	6,889,574	6,746,486
Intangible assets		
Database	-	118,692
Software	316,332	614,414
Other	9,412	9,291
Total intangible assets	325,745	742,398
Investments and other assets		
Investment securities	2,043,170	*1 2,151,129
Net defined benefit asset	1,356,154	1,032,552
Other	*1 614,488	*1 620,752
Allowance for doubtful accounts	(381,208)	(421,395)
Total investments and other assets	3,632,605	3,383,038
Total non-current assets	10,847,925	10,871,923
Total assets	28,328,450	28,063,361

(After corrections)

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,305,829	1,015,847
Short-term loans payable	770,000	770,000
Current portion of long-term loans payable	*2 50,017	*2 20,838
Accrued expenses	460,431	325,988
Income taxes payable	67,244	66,605
Accrued consumption taxes	62,051	139,044
Provision for bonuses	362,405	308,085
Provision for sales returns	607,277	1,013,605
Other	197,467	542,472
Total current liabilities	3,882,723	4,202,486
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term loans payable	*2 20,838	-
Deferred tax liabilities	674,868	428,603
Provision for directors' retirement benefits	224,500	246,400
Net defined benefit liability	85,002	95,310
Other	2,092	2,092
Total non-current liabilities	2,007,301	1,772,405
Total liabilities	5,890,024	5,974,891
Net assets		
Shareholders' equity		
Capital stock	9,903,870	9,903,870
Capital surplus	10,708,236	10,708,236
Retained earnings	1,460,703	1,641,846
Treasury shares	(525,281)	(525,371)
Total shareholders' equity	21,547,527	21,728,580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	936,631	609,046
Remeasurements of defined benefit plans	(45,732)	(276,870)
Total accumulated other comprehensive income	890,898	332,176
Subscription rights to shares	-	27,713
Total net assets	22,438,426	22,088,469
Total liabilities and net assets	28,328,450	28,063,361

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net sales	12,395,933	13,035,362
Cost of sales	9,311,202	8,253,204
Gross profit	3,084,731	4,782,158
Reversal of provision for sales returns	815,323	607,277
Provision for sales returns	607,277	1,013,605
Provision for sales returns-net	(208,046)	406,328
Gross profit-net	3,292,777	4,375,830
Selling, general and administrative expenses	*1 *2 4,226,853	*1 *2 4,068,996
Operating income (loss)	(934,076)	306,834
Non-operating income		
Interest income	3,138	2,615
Dividend income	23,391	29,948
Rent income	29,471	30,487
Dividend income of insurance	4,259	4,052
Other	18,891	25,337
Total non-operating income	79,152	92,441
Non-operating expenses		
Interest expenses	12,380	12,035
Share issuance cost	-	10,858
Bond issuance cost	8,483	-
Cost of lease revenue	8,732	8,981
Loss on investments in partnership	1,429	2,119
Other	1,570	2,178
Total non-operating expenses	32,595	36,173
Ordinary income (loss)	(887,519)	363,102
Extraordinary income		
Gain on sales of non-current assets	*3 550	*3 1,422
Gain on sales of investment securities	1,583	171,610
Total extraordinary income	2,133	173,032
Extraordinary losses		
Loss on sales of non-current assets	*4 7,799	*4 1
Loss on retirement of non-current assets	*5 1,207	*5 2,345
Loss on valuation of investment securities	4,999	-
Impairment loss	5,868,326	-
Total extraordinary losses	5,882,333	2,347
Profit (loss) before income taxes	(6,767,718)	533,787
Income taxes-current	59,153	37,412
Income taxes-deferred	(244,651)	(17,327)
Total income taxes	(185,497)	20,084
Profit (loss)	(6,582,221)	513,703
Profit (loss) attributable to owners of parent	(6,582,221)	513,703

(After corrections)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Profit (loss)	(6,582,221)	513,703
Other comprehensive income		
Valuation difference on available-for-sale securities	422,890	(327,584)
Remeasurements of defined benefit plans, net of tax	(135,332)	(231,138)
Total other comprehensive income	* 287,558	* (558,722)
Comprehensive income	(6,294,662)	(45,019)
Comprehensive income attributable to:		
Owners of parent	(6,294,662)	(45,019)
Non-controlling interests	-	-

(After corrections)

(3) Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,903,870	10,708,236	8,314,185	(525,047)	28,401,244
Cumulative effects of changes in accounting policies			61,305		61,305
Restated balance	9,903,870	10,708,236	8,375,491	(525,047)	28,462,549
Changes of items during period					
Dividends of surplus			(332,566)		(332,566)
Profit attributable to owners of parent			(6,582,221)		(6,582,221)
Purchase of treasury shares				(234)	(234)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(6,914,787)	(234)	(6,915,022)
Balance at end of current period	9,903,870	10,708,236	1,460,703	(525,281)	21,547,527

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	513,740	89,599	603,339	-	29,004,584
Cumulative effects of changes in accounting policies					61,305
Restated balance	513,740	89,599	603,339	-	29,065,889
Changes of items during period					
Dividends of surplus					(332,566)
Profit attributable to owners of parent					(6,582,221)
Purchase of treasury shares					(234)
Net changes of items other than shareholders' equity	422,890	(135,332)	287,558	-	287,558
Total changes of items during period	422,890	(135,332)	287,558	-	(6,627,463)
Balance at end of current period	936,631	(45,732)	890,898	-	22,438,426

(After corrections)

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders’ equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders’ equity
Balance at beginning of current period	9,903,870	10,708,236	1,460,703	(525,281)	21,547,527
Cumulative effects of changes in accounting policies					-
Restated balance	9,903,870	10,708,236	1,460,703	(525,281)	21,547,527
Changes of items during period					
Dividends of surplus			(332,560)		(332,560)
Profit attributable to owners of parent			513,703		513,703
Purchase of treasury shares				(89)	(89)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	181,142	(89)	181,052
Balance at end of current period	9,903,870	10,708,236	1,641,846	(525,371)	21,728,580

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	936,631	(45,732)	890,898	-	22,438,426
Cumulative effects of changes in accounting policies					-
Restated balance	936,631	(45,732)	890,898	-	22,438,426
Changes of items during period					
Dividends of surplus					(332,560)
Profit attributable to owners of parent					513,703
Purchase of treasury shares					(89)
Net changes of items other than shareholders' equity	(327,584)	(231,138)	(558,722)	27,713	(531,009)
Total changes of items during period	(327,584)	(231,138)	(558,722)	27,713	(349,956)
Balance at end of current period	609,046	(276,870)	332,176	27,713	22,088,469

(After corrections)

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Profit (loss) before income taxes	(6,767,718)	533,787
Depreciation and amortization	1,218,881	328,626
Loss (gain) on sales of short-term and long-term investment securities	(1,583)	(171,610)
Loss (gain) on valuation of short-term and long-term investment securities	4,999	-
Impairment loss	5,868,326	-
Increase (decrease) in allowance for doubtful accounts	(4,305)	40,456
Increase (decrease) in net defined benefit liability	9,002	10,307
Decrease (increase) in net defined benefit asset	(287,632)	(29,729)
Increase (decrease) in provision for bonuses	16,259	(54,320)
Increase (decrease) in provision for sales returns	(208,046)	406,328
Interest and dividend income	(26,529)	(32,564)
Rent income	(29,471)	(30,487)
Interest expenses	12,380	12,035
Decrease (increase) in notes and accounts receivable-trade	1,069,743	(1,213,874)
Decrease (increase) in inventories	(113,026)	(339,764)
Decrease (increase) in other current assets	(7,654)	(53,394)
Decrease (increase) in other non-current assets	(18,438)	(2,144)
Increase (decrease) in notes and accounts payable-trade	307,746	(289,981)
Increase (decrease) in accrued consumption taxes	(11,226)	76,993
Increase (decrease) in other current liabilities	151,446	(142,352)
Increase (decrease) in other non-current liabilities	30,300	21,900
Subtotal	1,213,451	(929,788)
Interest and dividend income received	26,327	32,809
Proceeds from rent income	29,619	30,444
Interest expenses paid	(12,369)	(11,937)
Income taxes paid	(46,463)	(63,648)
Net cash provided by (used in) operating activities	1,210,565	(942,120)
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	(64,325)	(55,698)
Proceeds from sales of property, plant and equipment	19,464	1,600
Purchase of intangible assets	(467,998)	(571,609)
Purchase of investment securities	(26,397)	(511,313)
Proceeds from sales of investment securities	31,874	10,240
Collection of loans receivable	3,285	2,515
Net cash provided by (used in) investing activities	(504,096)	(524,266)
Cash flows from financing activities		
Proceeds from issuance of bonds	991,516	-
Proceeds from long-term loans payable	50,000	-
Repayments of long-term loans payable	(79,174)	(50,017)
Purchase of treasury shares	(234)	(89)
Proceeds from issuance of subscription rights to shares	-	16,944
Cash dividends paid	(332,955)	(333,292)
Net cash provided by (used in) financing activities	629,152	(366,454)
Net increase (decrease) in cash and cash equivalents	1,335,620	(1,832,840)
Cash and cash equivalents at beginning of period	10,446,666	11,782,287
Cash and cash equivalents at end of period	* 11,782,287	* 9,949,446

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

Effective from 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 current fiscal year, the allocation of the cost of acquisitions, as determined after review of provisional accounting treatment, is reflected in the consolidated financial statements for the period in which the business combination took place. Additionally, the method of presenting consolidated net income was changed and references to “minority interests” were changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its 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 current fiscal year into the future.

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

(After corrections)

Notes to Consolidated Balance Sheet

*1. The following items are applicable to a non-consolidated subsidiary and affiliates.

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Investment securities (stocks)	-	300,000
Investments and other assets, other (investments in capital)	19,000	19,000
Total	19,000	319,000

*2. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Buildings and structures	393,910	377,252
Land	206,040	206,040
Total	599,950	583,293

Liabilities with collateral

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Current portion of long-term loans payable	50,017	20,838
Long-term loans payable	20,838	-
Total	70,855	20,838

Notes to Consolidated Statement of Income

*1. Major items of selling, general and administrative expenses

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Packing and delivery expenses	171,912	172,339
Promotion expenses	131,087	150,623
Advertising expenses	307,004	210,146
Provision of allowance for doubtful accounts	(4,064)	40,178
Directors' compensations	182,286	179,435
Provision for directors' retirement benefits	30,300	21,900
Salaries, allowances and bonuses	1,494,344	1,520,303
Provision for bonuses	180,408	157,371
Legal welfare expenses	258,822	267,162
Retirement benefit expenses	(80,913)	71,851
Transportation expenses	162,143	158,107
Depreciation	113,631	100,968
Rent expenses	63,233	63,975
Business consignment expenses	254,964	205,779
Taxes and dues	50,697	51,123
Research and development expenses	195,514	98,408
Amortization of goodwill	44,099	-
Other	671,381	599,321
Total	4,226,853	4,068,996

*2. Total amount of research and development expenses included in general and administrative expenses

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
	195,514	98,408

*3. Breakdown of gain on sales of non-current assets

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Machinery, equipment and vehicles	550	1,418
Tools, furniture and fixtures	-	3
Total	550	1,422

*4. Breakdown of loss on sales of non-current assets

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	484	-
Machinery, equipment and vehicles	104	-
Tools, furniture and fixtures	0	1
Land	7,211	-
Total	7,799	1

*5. Breakdown of loss on retirement of non-current assets

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	50	0
Machinery, equipment and vehicles	-	1,047
Tools, furniture and fixtures	1,156	1,297
Total	1,207	2,345

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Valuation difference on available-for-sale securities:		
Amount incurred during the year	491,175	(272,956)
Reclassification adjustments	(1,583)	(161,370)
Before tax effect adjustments	489,592	(434,327)
Tax effect	(66,701)	106,743
Valuation difference on available-for-sale securities	422,890	(327,584)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	56,637	(370,206)
Reclassification adjustments	(241,586)	16,875
Before tax effect adjustments	(184,948)	(353,331)
Tax effect	49,616	122,193
Remeasurements of defined benefit plans, net of tax	(135,332)	(231,138)
Total other comprehensive income	287,558	(558,722)

(After corrections)

Notes to Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Type of share and the number of outstanding shares and treasury shares (Thousands of share)

	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Outstanding shares				
Common stock	17,307	-	-	17,307
Total	17,307	-	-	17,307
Treasury shares				
Common stock (Note)	679	0	-	679
Total	679	0	-	679

Note: The number of treasury shares of common stock increased 0 thousand shares due to the acquisition of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 27, 2014	Common stock	332,566	20	Mar. 31, 2014	Jun. 30, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 26, 2015	Common stock	332,560	Retained earnings	20	Mar. 31, 2015	Jun. 29, 2015

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Type of share and the number of outstanding shares and treasury shares (Thousands of share)

	Number of shares as of Apr. 1, 2015	Increase	Decrease	Number of shares as of Mar. 31, 2016
Outstanding shares				
Common stock	17,307	-	-	17,307
Total	17,307	-	-	17,307
Treasury shares				
Common stock (Note)	679	0	-	679
Total	679	0	-	679

Note: The number of treasury shares of common stock increased 0 thousand shares due to the acquisition of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 26, 2015	Common stock	332,560	20	Mar. 31, 2015	Jun. 29, 2015

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 29, 2016	Common stock	332,558	Retained earnings	20	Mar. 31, 2016	Jun. 30, 2016

(After corrections)

Notes to Consolidated Statement of Cash Flows

* Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheet is made as follows.

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash and deposits	11,357,006	8,923,918
Securities (of which MMF)	1,025,280	1,025,527
Time deposit with maturities over 3 months	(600,000)	-
Cash and cash equivalents	11,782,287	9,949,446

Segment and Other Information

Segment information

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

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

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

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

Related information

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Information by product or service (Thousands of yen)

Category		Sales to external customers
Retail publishing	Maps	2,318,606
	Magazines	2,949,021
	Guidebooks	1,173,368
	Practical books	31,868
Subtotal		6,472,864
Special-order products		668,139
Advertising		860,711
e-business sales		4,363,498
Fees and commissions		30,719
Total		12,395,933

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client (Thousands of yen)

Company name	Sales
NIPPON SHUPPAN HANBAI INC.	2,215,308
TOHAN CORPORATION	2,088,010
NIHON CHIZU KYOHAN Co., Ltd.	1,295,208

Note: The Group does not provide segment information because it has only a single business segment.

(After corrections)

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Information by product or service (Thousands of yen)

Category		Sales to external customers
Retail publishing	Maps	3,206,879
	Magazines	3,281,942
	Guidebooks	1,246,708
	Practical books	214,788
Subtotal		7,950,318
Special-order products		732,420
Advertising		801,256
e-business sales		3,503,056
Fees and commissions		48,310
Total		13,035,362

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client (Thousands of yen)

Company name	Sales
NIPPON SHUPPAN HANBAI INC.	2,796,823
TOHAN CORPORATION	2,709,752
NIHON CHIZU KYOHAN Co., Ltd.	1,360,758

Note: The Group does not provide segment information because it has only a single business segment.

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

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

Information related to goodwill amortization and the unamortized balance for each reportable segment

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

Information related to negative goodwill profits for each reportable segment

Not applicable.

(After corrections)

Per-share Information

(Yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net assets per share	1,349.43	1,326.73
Net income (loss) per share	(395.85)	30.89
Diluted net income per share	-	28.26

Notes: 1. Diluted net income per share for FY3/15 is not presented since the Company has outstanding dilutive securities, though posted a net loss.

2. Basis for calculating net income (loss) per share and diluted net income (loss) per share is as follows.

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net income (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(6,582,221)	513,703
Amount not available to common shareholders (Thousands of yen)	-	-
Profit (loss) attributable to common shareholders of parent (Thousands of yen)	(6,582,221)	513,703
Average number of shares outstanding during period (Thousands of share)	16,628	16,627
Diluted net income per share		
Profit attributable to owners of parent (Thousands of yen)	-	-
Increase in the number of common shares (Thousands of share)	-	1,550
[of which subscription rights to shares (Thousands of share)]	-	[1,550]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-	Stock acquisition rights No. 1 (Number of stock acquisition rights: 6,000 units) Stock acquisition rights No. 2 (Number of stock acquisition rights: 1,300 units) Stock acquisition rights No. 3 (Number of stock acquisition rights: 1,000 units) Stock acquisition rights No. 4 (Number of stock acquisition rights: 8,548 units)

Subsequent Events

Not applicable.

6. Other Information

(1) Changes in Directors

Not applicable.

(2) Others

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.

(Before corrections)

May 13, 2016

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (FY3/16)

[Japanese GAAP]

Company name: Shobunsha Publications, Inc. Listing: Tokyo Stock Exchange, First Section
Stock code: 9475 URL: http://www.mapple.co.jp/
Representative: Shigeo Kuroda, President & Representative Director
Contact: Shinya Ohno, Director, General Manager, Business Administration Division Tel: +81-3-3556-8171

Scheduled date of Annual General Meeting of Shareholders:	June 29, 2016
Scheduled date of payment of dividend:	June 30, 2016
Scheduled date of filing of Annual Securities Report:	June 29, 2016
Preparation of supplementary materials for financial results:	Yes
Holding of financial results meeting:	Yes (for analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated results of operations (Percentages for net sales and incomes 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	%
Fiscal year ended Mar. 31, 2016	13,035	5.2	306	-	363	-	538	-
Fiscal year ended Mar. 31, 2015	12,395	(10.6)	(934)	-	(887)	-	(7,042)	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2016: (20) (- %)
Fiscal year ended Mar. 31, 2015: (6,754) (- %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2016	32.37	29.60	2.5	1.3	2.4
Fiscal year ended Mar. 31, 2015	(423.51)	-	(27.6)	(2.8)	(7.5)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2016: - Fiscal year ended Mar. 31, 2015: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	28,063	21,652	77.1	1,300.53
As of Mar. 31, 2015	28,328	21,978	77.6	1,321.77

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 21,625 As of Mar. 31, 2015: 21,978

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2016	(942)	(524)	(366)	9,949
Fiscal year ended Mar. 31, 2015	1,210	(504)	629	11,782

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2015	-	0.00	-	20.00	20.00	332	-	1.3
Fiscal year ended Mar. 31, 2016	-	0.00	-	20.00	20.00	332	61.8	1.5
Fiscal year ending Mar. 31, 2017 (forecasts)	-	0.00	-	20.00	20.00		415.8	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(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
First half	5,340	(11.4)	(440)	-	(410)	-	(420)	-	(25.26)
Full year	12,360	(5.2)	60	(80.5)	110	(69.7)	80	(85.1)	4.81

(Before corrections)

*** 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) 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

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2016: 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 Mar. 31, 2016: 679,814 shares As of Mar. 31, 2015: 679,714 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016: 16,627,948 shares Fiscal year ended Mar. 31, 2015: 16,628,225 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	12,218	9.8	212	-	252	-	446	-
Fiscal year ended Mar. 31, 2015	11,125	(10.6)	(1,144)	-	(1,110)	-	(6,763)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2016	26.83	24.54
Fiscal year ended Mar. 31, 2015	(406.77)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	27,234	21,203	77.8	1,273.54
As of Mar. 31, 2015	27,223	21,390	78.6	1,286.41

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 21,176 As of Mar. 31, 2015: 21,390

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes)

	Net sales		Ordinary income		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,930	(11.6)	(340)	-	(350)	-	(21.05)
Full year	11,300	(7.5)	130	(48.5)	110	(75.3)	6.62

* Information regarding the implementation of audit procedure

This report is exempted from audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedures for the financial statements have not been completed.

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

Cautionary statement with respect to forward-looking statements

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, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations, Outlook" on page 3 of attachments for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

The Company plans to hold a results presentation for analysts in early June 2016. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

Contents of Attachments

1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

1) Summary of the fiscal year

In the fiscal year that ended on March 31, 2016 (from April 1, 2015 to March 31, 2016), the Japanese economy gradually recovered owing in part to falling crude oil prices along with economic stimulus packages by the government and monetary easing by the Bank of Japan; however, the country's economic outlook remains uncertain as the global economy in the latter half of the period incurred downside risk due to a slowdown in China and corporate profits did the same because of stronger yen and lower share prices.

Against this backdrop, the Shobunsha Group have been involved in a variety of services for foreign tourists visiting Japan during the current fiscal year, 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 targeting foreign tourists visiting Japan. We additionally launched "DiGJAPAN!" website offering contents exploring local items in detail by foreign editors 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 app as a new style of travel. As a result, we have achieved results exceeding 4 million downloads. On February 1, 2016, we established Tripcon Co., Ltd., a wholly-owned subsidiary, to develop business that provides a trip-related platform associated with inbound businesses.

Our e-business sales for the current fiscal year dropped substantially to 3,503 million yen, down 860 million yen (19.7%) 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 app for portable navigation devices (PND), despite an increase in sales from inbound business and of various apps for smartphones. Sluggish sales of light motor vehicles also had a larger than expected impact on sales of *Mapple Navi*. Additionally, retail publishing sales increased 1,477 million yen (22.8%) year on year to 7,950 million yen. Although we saw a significant decrease in returned products at the beginning of the current fiscal year as we had initially expected, sales at bookstores unexpectedly slowed down over the summer (the highest selling season for products in this segment). On the other hand, in addition to updating editions of the *Tabimaru* series of Japan guidebooks, we have published more titles: new series of guidebook "*Nippon Kuruma Tabi* (Trip by Car in Japan)", "*Polyglot Maps, TOKYO and KYOTO*" and "*Shutoken-hatsu, Higaeri, Otona-no Chiisana Tabi* (Daytrip from the Tokyo Metropolitan Area, Small Trip for Adults)," products targeting foreign tourists visiting Japan, and the second guidebooks collaborated with TripAdvisor. Moreover, we achieved a year-on-year increase in sales for the current fiscal year due in part to good sales of small-sized *Mapple Magazines* and small-sized *Mapple Cho-Shosai! Sanpo Chizu* (*Mapple*'s super-detailed maps for strolls). Sales of special-order products achieved higher sales than those in the previous fiscal year. We continued to receive orders mainly from municipal governments for the production of their own *co-Trip* booklets with leverage of our *co-Trip* brand, while consumers are continuously increasing preference for publications in non-paper form. Also, advertising revenue as well as fees and commissions was higher. Overall, consolidated sales for the current fiscal year increased 639 million yen (5.2%) year on year to 13,035 million yen.

In terms of profitability, there were three factors to negatively affect a cost of sales ratio: a decline in sales of e-businesses, which had enjoyed a high profit margin, an increase in expenses associated with accounting for retirement benefits, and a substantial increase in provision for sales returns. While a cost of sales ratio was deteriorated, the amount of cost of sales significantly declined because of a decrease in amortization of database as a result of recognition of impairment loss in the previous fiscal year, a reduction in maintenance expense, and an effect of cutting costs in the retail publishing. Selling, general and administrative expenses also decreased year on year mainly because of a reduction advertising expenses, research and development expenses, business consignment expenses, and amortization of goodwill, while there were increases in up-front investments and operating expenses for the new inbound business and expenses associated with accounting for retirement benefits. Consequently, operating income for the current fiscal year was 306 million yen (compared with operating loss of 934 million yen in the same period of the previous fiscal year), ordinary income was 363 million yen (compared with ordinary loss of 887 million yen). Furthermore, we reported extraordinary income of 171 million yen for gain on sales of investment securities as a result of sale of securities held. In addition, income taxes-deferred decreased by 41 million yen because we recognize deferred tax liabilities only and the effective statutory tax rate under the tax effect accounting was lowered due to a reduction of corporate tax rates. As a result, profit attributable to owners of parent was 538 million yen (compared with a loss of 7,042 million yen).

2) Sales and orders

Sales (Millions of yen)

Category	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	YoY (%)
Retail publishing			
Maps	2,318	3,206	+ 38.3
Magazines	2,949	3,281	+ 11.3
Guidebooks	1,173	1,246	+ 6.3
Practical books	31	214	+ 574.0
Subtotal	6,472	7,950	+ 22.8
Special-order products	668	732	+ 9.6
Advertising	860	801	- 6.9
e-business sales	4,363	3,503	- 19.7
Fees and commissions	30	48	+ 57.3
Total	12,395	13,035	+ 5.2

Notes: 1. The amounts are based on selling prices.
2. The above amounts do not include consumption taxes.

Orders

The Shobunsha Publications Group produces to sell the special-order products for private-sector companies, government agencies and other customers and some e-business products.

Category	Orders (Millions of yen)	YoY (%)	Order backlog (Millions of yen)	YoY (%)
Special-order products	718	2.7	47	(22.3)
e-business sales	3,317	(26.3)	176	(51.1)

Note: The above amounts do not include consumption taxes.

3) Outlook

Our core business is a publishing business and we have achieved a year-on-year increase in sales for the current fiscal year. However, the operating environment of this business has been more than ever challenging for the past several years. On the other hand, there are many new opportunities in the e-business operations because of the rapid growth in the use of smartphones and other mobile devices. To capitalize on these opportunities, we plan to increase sales of publications by further upgrading and expanding the functions of *Mapple Link*, an app that is linked to our publications. We will also aggressively promote the *co-Trip* brand extension. While we have a rather difficult situation for sales expansion of *Mapple Navi* for PNDs as well as a car navigation system for minicars, we will continue to develop a navigation system that takes full advantage of our proprietary guidance information and aim to achieve adoption to a car navigation system for standard-sized cars. Furthermore, we believe that the newly launched inbound business has a huge potential for our future business growth. We are confident that we can provide foreign tourists visiting Japan with our services so that they can obtain highly convenient and valuable information by making full use of the data and technology we have developed for the past years. We will seek alliance with leading companies abroad to drive the dissemination of our services. We will then explore a variety of revenue sources by placing ourselves in a position in which we can provide companies in need of information about foreign tourists visiting Japan with the opportunity to fulfill their needs.

(Before corrections)

Starting new businesses and taking the other actions outlined in the previous paragraph will require investments to develop new systems, strengthen our database and make other improvements. In addition, as we need to aggressively seek alliance with companies abroad, we will make necessary investments to make it happen.

In the next fiscal year ending on March 31, 2017, sales in the category of retail publishing is expected to drop significantly, because some special factors that existed in the current fiscal year, including a decrease in expenses associated with returned products at the beginning of the current fiscal year and an aggressive publication of new titles, will disappear, though the publication of the small-sized *Mapple Magazines* will contribute to sales. While we saw a fall in revenues from sales of car navigation software in the current fiscal year, we will avoid further revenue reduction in the next fiscal year. Furthermore, in addition to sales growth in the new inbound business, we expect additional revenue from a trip-related platform business provided by a newly established Tripcon Co., Ltd. In terms of cost of sales and selling, general and administrative, the inbound business-related expenses will continuously arise in advance. In particularly, the newly established Tripcon Co., Ltd. increases operating expenses and system development costs before it generates sales. We forecast a significant reversal of provision for sales returns in the next fiscal year due to building up of provision for sales returns at the end of the current fiscal year. Furthermore, we expect an increase in personnel expenses including higher retirement benefit expenses, as we changed the discount rate associated with accounting for retirement benefits because of a decline of interest rates on the Japanese Government Bonds after introducing the negative interest rate policy by the Bank of Japan.

Under such circumstances, we expect consolidated sales of 12,360 million yen (down 5.2% year on year), operating income of 60 million yen (down 80.5% year on year), ordinary income of 110 million yen (down 69.7% year on year), and profit attributable to owners of parent of 80 million yen (down 85.1% year on year) for the next fiscal year ending March 31, 2017. However, actual results may differ significantly from these forecasts for a number of factors. Furthermore, as we are now putting most of our efforts into the inbound business, we anticipate that there might be some room for achieving more-than-expected results through successfully forming the alliance with leading companies abroad and having other favorable developments going forward. A revised forecast will be announced promptly if we subsequently expect that our performance will differ significantly from these forecasts.

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, please refer to the section “(4) Business Risks.”

(2) Analysis of Financial Position

1) Balance sheet position

Total assets decreased 265 million yen, or 0.9%, from the end of the previous fiscal year to 28,063 million yen at the end of the current fiscal year. There were increases of 1,213 million yen in notes and accounts receivable-trade, 300 million yen in securities, 186 million yen in merchandise and finished goods, 157 million yen in work in process, 290 million in other current assets, 118 million yen in database, 298 million yen in software, and 107 million yen in investment securities, while there were decreases of 2,433 million yen in cash and deposits and 323 million yen in assets associated with the retirement benefit plan due to a revision of the discount rate. Total liabilities increased 60 million yen, or 1.0%, from the end of the previous fiscal year to 6,410 million yen at the end of the current fiscal year. This was mainly due to increases of 406 million yen in provision for sales returns and 345 million yen in other current liabilities, while there were decreases of 289 million yen in notes and accounts payable-trade, 134 million yen in accrued expenses and 270 million yen in deferred tax liabilities. Total net assets decreased 325 million yen, or 1.5%, from the end of the previous fiscal year to 21,652 million yen at the end of the current fiscal year. There was an increase of 205 million yen in retained earnings due to recording of profit attributable to owners of parent of 538 million yen that was partially offset by dividends of surplus of 332 million yen, while there were decreases of 327 million yen in valuation difference on available-for-sale securities and 231 million yen in remeasurements of defined benefit plans.

As a result, the equity ratio declined 0.5 percentage points to 77.1%.

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) decreased 1,832 million yen from the end of the previous fiscal year to 9,949 million yen at the end of the current fiscal year on a consolidated basis. Net cash used in operating activities was 942 million yen, net cash used in investing activities was 524 million yen and net cash used in financing activities was 366 million yen.

Cash flows by category were as follows.

Net cash used in operating activities was 942 million yen. The main factors were recording of profit before income taxes of 533 million yen, depreciation and amortization of 328 million yen, an increase in provision for sales returns of 406 million yen, which were more than offset by gain on sales of securities and investment securities of 171 million yen, an increase in notes and accounts receivable-trade of 1,213 million yen, an increase in inventories of 339 million yen, a decrease in notes and accounts payable-trade of 289 million yen and a decrease in other current liabilities of 142 million yen.

Net cash used in investing activities was 524 million yen. The main factors were proceeds from withdrawal of time deposits of 600 million yen, which was more than offset by purchase of property, plant and equipment of 55 million yen, purchase of intangible assets of 576 million yen and purchase of investment securities of 511 million yen.

Net cash used in financing activities was 366 million yen. The main factors were proceeds from issuance of subscription rights to shares of 16 million yen, which was more than offset by repayment of long-term loans payable of 50 million yen as well as cash dividends paid of 333 million yen.

Cash flow indicators

	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Equity ratio (%)	83.8	84.8	85.3	77.6	77.1
Equity ratio based on market value (%)	29.9	28.5	33.9	53.1	36.4
Interest-bearing debt to cash flow ratio (%)	80.1	108.5	38.0	152.1	(1.9)
Interest coverage ratio (times)	89.9	63.4	156.7	97.9	(78.9)

Notes: Equity ratio: Shareholders’ equity / Total assets
Equity ratio based on market value: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
Interest coverage ratio: Operating cash flows / Interest payments
* Each indicator is calculated using financial figures stated on the consolidated basis.
* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
* Operating cash flows use the cash flows provided by operating activities on the consolidated statement of cash flows.
* Interest-bearing debt is calculated using total loans-payable on the consolidated balance sheet. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of Shobunsha Publications. The basic policy is to pay a stable dividend that reflects results of operations and the operating environment.

Retained earnings will be used for efficient investments from a long-term perspective. One use will be substantial investments for achieving rapid expansion of the e-business, which we believe has much potential for growth. Investments will be made to further strengthen and enlarge our database and to create systems and make capital expenditures required to launch services that use this database. We will also make investments to form alliances with other companies in order to expand the new businesses and adapt quickly to the rapid pace of change in the business climate.

Regarding the dividends for the current fiscal year, we will adhere to the basic policy for dividends and have decided to seek approval by shareholders at the 57th Annual General Meeting for distributing an ordinary dividend of 20 yen per share as initially planned, just as for the previous fiscal year.

Regarding the dividends for the fiscal year ending on March 31, 2017, although we will continue to face a challenging environment of the existing business, we plan to pay an ordinary dividend of 20 yen per share just as for the current fiscal year, given the forecast that we can ensure profitability by increasing sales primarily from the new businesses and by further reducing costs.

(4) Business Risks

Listed below are the risk factors that may materially influence results of operations, financial position and other aspects of the performance of the Shobunsha Publications Group. The following risk factors may have a material effect on decisions by investors.

Forward-looking statements are based on the decisions of the Shobunsha Publications Group's management as of the end of the current fiscal year.

Risks involving the database

Business operations of the Shobunsha Publications Group are centered on the Shobunsha Integrated Mapping System (SiMAP), which consists of map and guidebook information. We have a backup system for this database, including the storage of the database in several locations. However, if the database is lost or cannot be used due to unforeseen circumstances, there may be a significant effect on results of operations.

Risks involving IT systems

If there is a malfunction of the information distribution system (an interruption in the system's operations, the inability to send maps properly or other problems), group companies may lose profit opportunities until the system is restored. Furthermore, customers and others may lose confidence in this system and there is a possibility that we will be asked to pay damages if the system malfunction causes losses for customers or others. We have designed this system to prevent such problems, but the occurrence of a significant loss from an IT system malfunction may have a significant effect on results of operations.

Risks involving technological innovation

A large number of new technologies are required to operate the e-business operations of the Group. Technologies involving the transmission of information are particularly critical, and the pace of progress for these technologies is very fast. Although we are conducting R&D activities involving new technologies, we may fall behind in developing technologies or our technologies may become outdated. If these problems prevent us from generating sufficient earnings in relation to the corresponding investments, there may be an effect on results of operations.

Risks involving the development of new products and services

The continuity of business operations requires the provision of new products and services that reflect changes in the social environment and customers' needs. We are currently introducing many new products and services that reflect current market conditions. However, if development activities are delayed, become more costly or cannot be continued, or if we are unable to reach our sales targets, there may be an effect on results of operations.

Risks involving quality

We have a Quality Control Department and there are many activities at group companies to ensure the quality of our products and services. However, there is still a possibility of defects that cannot be foreseen. If a defect occurs, there may be expenses to collect a product, expenses for litigation and damages, a loss of confidence in our group, a decline in sales, or other problems that may have an effect on results of operations.

Risk of inability to recover investments in new businesses

We have made substantial investments to start a navigation service and hotel booking service. In addition, we have launched the inbound business targeting tourists visiting Japan. If these new businesses do not perform as planned and we are unable to earn sufficient profits in relation to the corresponding investments, there may be an effect on results of operations.

Risk of inability to recover investments to reinforce and upgrade the database

We have made substantial investments to reinforce and upgrade SiMAP, which is the core competence of the Shobunsha Publications Group. Maintaining this database is essential for conducting our e-business activities, which will be vital to our operations in the coming years. If this database does not produce sufficient earnings in our publishing and e-business operations in relation to the amount of resources used, there may be an effect on results of operations.

Risks involving dependence on specific companies

The Shobunsha Publications Group has operated a publishing business that involves primarily maps and guidebooks for many years. We have used this business to accumulate substantial map and travel guide data. This data is contained in our SiMAP database, which we are currently using to expand our e-business operations with the goal of making it into our second core business. However, publishing still accounts for more than half of sales (72.8%).

Book stores are the primary sales channel for the publishing business. In this business, three companies account for approximately 72.4% of sales. Two of these companies are TOHAN CORPORATION and Nippon Shuppan Hanbai Inc., Japan’s major distributors of publications. Using these companies gives us access to a nationwide distribution network that includes small and midsize bookstores. These companies also shield us from credit risk. The third company is Nihon Chizu Kyohan Co., Ltd., which specializes in the distribution of maps. Consequently, the operations of these three companies may have a significant effect on results of operations.

In addition, in the car navigation business, there is a significant reliance on a specific hardware supplier. If the performance of this company worsens and we are unable to locate an alternate supplier, there may be an effect on results of operations.

Risks involving returned products

In the publishing business, there is a system in Japan at book distributors and book stores for the return of products. Based on this system, sales are recorded at the time products are shipped to these distributors and stores. But we promise to subsequently accept all products that are returned. As a result, even when the value of publications have declined for some reason, we must accept the return of these publications that were held as inventory at book stores irrespective of the time that the publications were initially sold. Returned products are deducted from sales, which may result in a sales decline that is larger than the corresponding decline in our inventory. Furthermore, since most of our publications provide information, it is often difficult to treat returned books as inventory items that can be shipped to stores again. In most cases, returned books are discarded. We have a provision for sales returns based on losses resulting from the usual rate of returns. This allowance covers the profit from the sale of books that are subsequently returned and expenses for discarding the returned books. If books are returned at a higher than normal rate, sales would decline in relation to the cost of sales. As a result, the gross profit margin may decline at a rate that is higher than the percentage by which sales fall.

Credit risk

Although group companies take various actions concerning credit risk involving counterparties and others, there is a risk of an unforeseen bankruptcy of counterparty due to fraud, poor performance or other reasons. If such events result in additional losses or additions to the allowance for doubtful accounts, there may be an effect on results of operations.

Risks concerning the Geospatial Information Authority of Japan

The primary elements of the map data of the Shobunsha Publications Group and data updates are based on the topographic and other maps issued by the Geospatial Information Authority of Japan. If this authority stops permitting the use of this information or establishes restrictions on items that are critical to our business operations, or if this authority starts producing map data similar to ours for free distribution, there may be a significant effect on results of operations.

Financial risk

- Asset impairment accounting

In prior years, the Shobunsha Publications Group has posted impairment losses for database, software, non-current assets, leased assets and other items. In the future, there may be additional impairment losses depending on the ability to recover investments and the level of utilization for our database, non-current assets and other assets. These losses may have a significant effect on results of operations.

- Retirement benefit obligations

The Shobunsha Publications Group has expenses for retirement benefit payments and retirement benefit obligations that are calculated by using a discount rate, employee salaries, the rate of employee resignations and retirements, the expected long-term rate of return on pension plan assets, and other items. These figures are determined by using various estimates for actuarial calculations. If actual retirement benefit expenses and obligations differ significantly from the amounts obtained by using these calculations and estimates, there may be an effect on results of operations.

Risks concerning fund procurement

There are currently substantial up-front investments for the expansion of e-business operations, such as investments to reinforce and enlarge the database and to develop various IT systems. Since users' needs are changing rapidly in this business sector, there may be a need for more large investments. If the financial condition of a major counterparty worsens or certain amounts due cannot be collected or the collection is delayed, we may need to procure funds from external sources. If we are unable to procure funds from external sources, there may be a significant effect on our ability to continue operation.

Risks concerning intellectual property

Other companies in Japan currently have many patents pending that involve digital maps and Internet businesses. We believe that these patent applications do not pose a serious threat to our business operations at this time. However, if there are new patent applications, a current application is approved or other events occur, there may be a patent infringement problem involving technologies and other items used by the businesses of the Shobunsha Publications Group. If this happens, we may be required to pay for damages or stop activities that use a particular patent. These events may have a significant effect on results of operations.

In addition, even in the event that we receive permission to use a patent or other intellectual properties of other companies, the resulting royalty payments and other expenses may have a significant effect on results of operations.

Risks concerning alliance with companies abroad

In the inbound business targeting tourists visiting Japan, which is a new business for the Group, it is critically important to implement a strategy to form business and other alliances with companies abroad because such alliances could significantly expand our businesses. However, we should implement the strategy very carefully, bearing in mind that such alliances may cause losses due to differences in business customs and legal systems. It is thus possible that implementing this strategy may cause substantial loss.

Risks concerning regulations

Our business operations must comply with laws and regulations involving intellectual property rights and many other items. Major revisions to a law or regulation or the establishment of a new law or regulation that seriously related to our business operations may have an effect on results of operations.

Risks concerning personal information

We manage the personal information of customers and others in accordance with our personal information management rules, internal network management rules and other rules. We are always improving our personal information management system and taking other actions to prevent leaks. However, there may be a leak or other problem involving personal information resulting from unauthorized access from outside of the group or some other unforeseen event. If this happens, there may be an effect on results of operations and the public’s confidence in the Shobunsha Publications Group.

Risks concerning internal management systems

The Shobunsha Publications Group has a framework for ethical behavior by employees that consists of a code of ethics, code of conduct and compliance guidelines. We have programs to ensure that everyone understands and closely follows these guidelines for behavior. We also have a system of internal controls. However, due to the limitations on the capabilities of internal control systems, there is no assurance that our system eliminates all risks associated with internal management. Consequently, there is a possibility of a violation of laws, regulations and guidelines. In the event of such a violation, the resulting government administrative guidance, loss of public trust in our Group, payment for damages and other potential consequences may have an effect on results of operations.

Risks concerning the workforce

We are aware that recruiting and training skilled workers is vital to strengthen our ability to achieve business growth. If we are unable to recruit talented individuals for the company or if these individuals leave for jobs at other companies, the resulting impediments to our business operations may have an effect on results of operations.

Risks concerning natural disasters

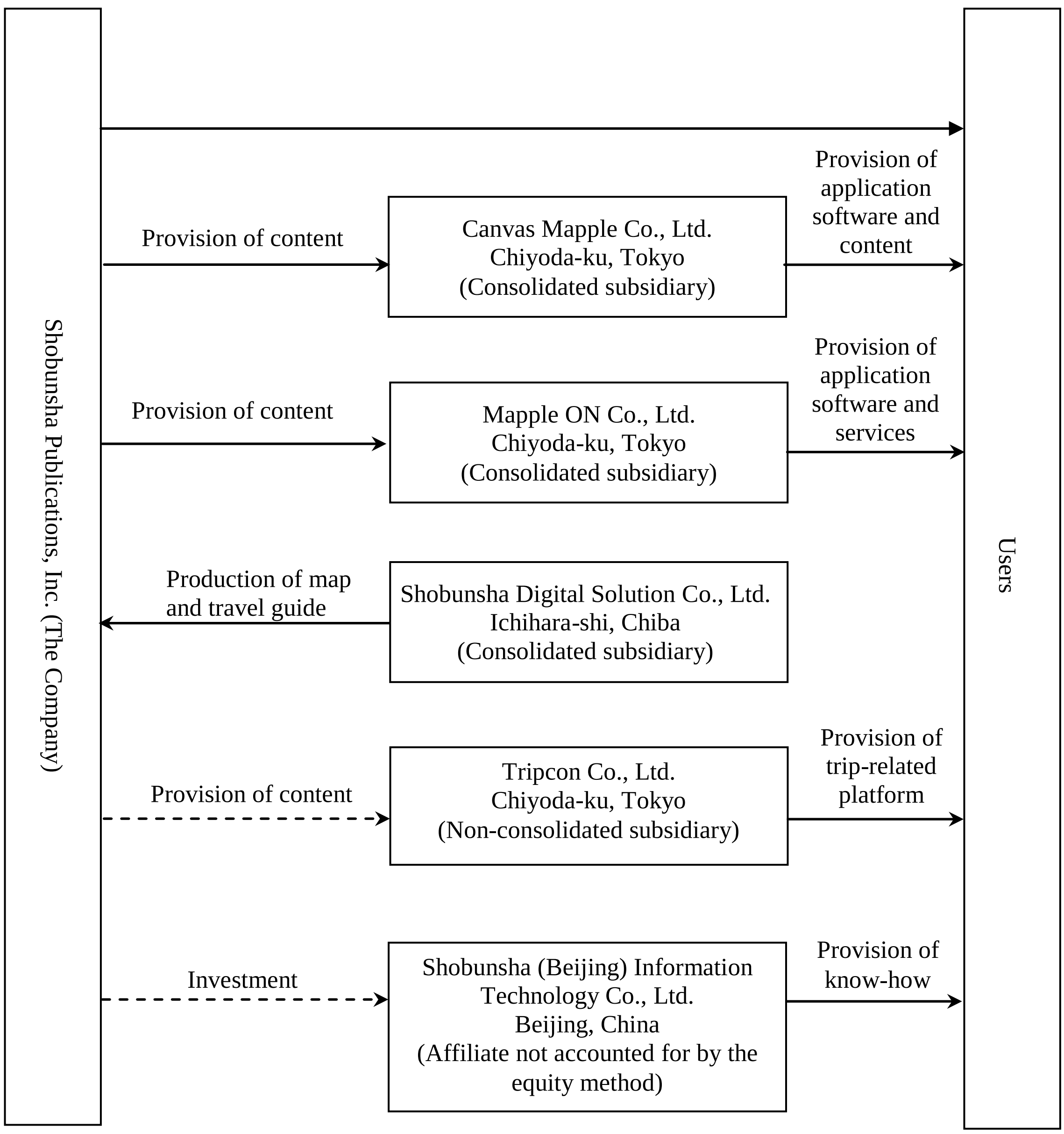
Most of our operations are located in the Tokyo metropolitan area. If there is a major earthquake, typhoon or other natural disaster in this area, there may be delays in shipments because of suspended production due to damage to equipment and disruptions in our distribution infrastructure. Also, in the event our distribution centers storing products suffer from those disasters, and if their products are destroyed by such as fire, although temporary, retrieval of the products may become infeasible. These events may have a significant effect on results of operation. Furthermore, in the core publishing business, since we outsource tasks extending from writing articles and books to the production of publications. As a result, even if there is no damage to the equipment of group companies, there is a risk of delays and disruptions caused by damage at companies that perform these tasks on an outsourcing basis.

(Before corrections)

2. Corporate Group

The Shobunsha Publications Group is engaged in the planning, production and sale of maps, magazines and guidebooks that use the group's proprietary map and guide data. There is also a map and travel information distribution business that involves the planning, production and sale of digital database information as well as services that use this database.

The Shobunsha Publications Group consists of Shobunsha Publications, Inc., three consolidated subsidiaries, one non-consolidated subsidiary and one affiliate not accounted for by the equity method. Consolidated subsidiary Canvas Mapple Co., Ltd. operates a navigation business. This subsidiary plans, develops and sells *Mapple Navi*, a navigation app that uses Shobunsha Publications's map and travel guide content. Canvas Mapple also sells content to manufacturers of car navigation systems. Mapple ON Co., Ltd. plans, develops and sells app for smartphones and other mobile devices and has an Internet advertising business. Shobunsha Digital Solution Co., Ltd. performs planning and production activities for the Shobunsha Publications' digital database. Furthermore, during the current fiscal year, the Company incorporated a wholly-owned subsidiary named Tripcon Co., Ltd. on February 1, 2016 to develop a business providing a trip-related platform. For the purpose of financial reporting for the current fiscal year, we have treated this company as a non-consolidated subsidiary from the materiality point of view as it is just two months old and has not started its operations yet.



(Before corrections)

Group companies

Name	Location	Capital (Millions of yen)	Main business	Share of voting rights (%)	Relationship
<Consolidated subsidiary> Canvas Mapple Co., Ltd.	Chiyoda-ku, Tokyo	450	Car navigation service	100.0	Provision of content in the car navigation business Concurrent directors
<Consolidated subsidiary> Mapple ON Co., Ltd.	Chiyoda-ku, Tokyo	80	Mobile service	100.0	Provision of content to apps for mobile devices (mobile phones and smartphones) Concurrent directors
<Consolidated subsidiary> Shobunsha Digital Solution Co., Ltd.	Ichihara-shi, Chiba	458	Digital data production	100.0	Planning and production of database for the Company's e-business operations Concurrent directors
<Non-consolidated subsidiary> Tripcon Co., Ltd.	Chiyoda-ku, Tokyo	150	Trip-related platform	100.0	Provision of trip-related platform
<Affiliate not accounted for by the equity method> Shobunsha (Beijing) Information Technology Co., Ltd.	Beijing, China	150	Map production	49.0	Invest in map content business in China

3. Management Policies

(1) Basic Management Policy

Since its inception, Shobunsha Publications has been guided by the philosophy of “growing in an age of change and contributing to society by taking on unlimited challenges related to maps.” We are dedicated to creating the best possible maps to meet our customers’ needs and supplying the most reliable and up-to-date information possible.

Furthermore, based on the corporate slogan of “the constant pursuit of innovation,” we have established the publishing business, which involves primarily maps and travel guidebooks.

In recent years, there has been a shift from paper to electronic channels for the distribution of information. This shift has made it possible to supply a multitude of people with an extremely large and diverse range of information. In this environment, the Shobunsha Publications Group has established the new corporate philosophy of “using travel to bring the world together and using curiosity to make the world more sensitive” with the goal of contributing to society. We want to do more than merely supply geographic information. By distributing carefully selected information about travel and other outings, our objective is to help people have experiences become happy memories. We want to invigorate Japan by enabling many people to be happy and enjoy travel and new experiences. We envision the use of travel to create a peaceful and fulfilling world with no wars or disputes.

Based on this new philosophy, we will concentrate on accomplishing the following four fundamental goals.

1. Offer a comprehensive lineup of support for travel activities.
2. Create brand value associated with travel and other outings.
3. Achieve both localization and globalization.
4. Place priority on resonance and collaboration.

(2) Target Performance Indicators

While the Group’s conventional business is centered around the “provision of map and tourism information,” the delivery format of such information is being radically shifted from printed publication to digital media. Furthermore, we are also witnessing rapid shift of digital media, e.g. the shift from PCs to smartphones, and the shift from car-mount navigations to PNDs and then to smartphone apps. In such a drastically changing business environment, there is a trend of sharp falling sales from the conventional publishing business, and the Group’s sales for the past several years also followed this trend. Against this backdrop, we will strive to achieve profitable operations by quickly establishing and expanding the newly launched inbound business targeting tourists visiting Japan, on top of promptly increasing sales through providing information with digital media to the extent that can more than offset a decrease in sales from the publishing business and thus ensuring sustainable growth of sales.

(3) Medium- and Long-term Business Strategy

Strategic objectives are as follows based on the above management policies.

1. To offer a comprehensive lineup of support for travel activities, our goal is to increase the value of travel experiences from the standpoint of customers. This commitment extends from the creation of the desire to travel to travel planning and arrangements, assistance for lodging and sightseeing, and organizing cherished travel memories.
2. To create brand value associated with travel and other outings, we will build on the brand value of the product brands *Mapple* and *co-Trip* and increase the value of MAPPLE as a corporate brand as the foundation for these product brands. We want these to remain as the brands that people choose for their travel needs.
3. To achieve both localization and globalization, we will assist individual areas of Japan in creating a sustainable tourism industry. Relationships produced by traveling lead to greater mutual understanding and empathy. We also aim to help create a peaceful and fulfilling world in which anyone can travel with no worries.
4. To place priority on resonance and cooperation, we will look beyond our current activities to seek the power of

resonance for new and interesting activities. We will also use the power of collaboration, which is created from the aggregate power of our users, business partners and employees. We will aim for more innovation by placing priority on these two types of power.

(4) Challenges

A rapid shift to digital technology for the distribution of information has taken place during the past several years. This shift is forcing companies that supply information to focus even more on developing highly convenient products and services that utilize the advantages of paper and all other types of media.

For the Shobunsha Publications Group, it is imperative to offer a broad array of services that can supply carefully selected information that truly has value. These services must encompass all types of media and devices.

Dramatic reforms will be needed for the Group's planning and production operations as actions are taken for multi-device information provision and offering the most suitable products and services. In particular, we must move quickly to build a production infrastructure that spans all types of media. Starting in the fiscal year that ended on March 31, 2014, group companies have been working on combining digital content production and publication production in order to achieve a "single-source multi-use" operating framework.

In the fiscal year that ended on March 31, 2016, we began free distribution of the *Mapple Link* smartphone app, which links travel guidebooks and magazines, in order to add value to publications. Now we need to work even harder on providing a source of services that are even easier to use and even more useful.

For *co-Trip*, which is very popular among women who like to travel, we have been leveraging the power of this brand for a large number of tie-ups with products other than publications. To go one more step, we must utilize the *co-Trip* brand in a diverse range of other industries.

While the operating environment has been challenging for our core businesses of the publishing business and electronic business, we will proactively carry out activities involving inbound business. Japan has been attracting an increasingly larger number of foreign tourists. Faster growth in the number of these tourists is expected, in part due to Tokyo's selection to host the 2020 Summer Olympics. Growth in tourists from other countries creates an excellent opportunity for the Shobunsha Publications Group, which has a large amount of travel information. We position the inbound business, which supplies information to foreign tourists, as one of our most important operations and must quickly expand the service lineup. We have already started by setting up Facebook pages for Taiwan and Thailand. While we have already started providing the smartphone app called "DiGJAPAN!," which is an app for sightseeing tourists available in five languages, upgrading its service level is urgently needed. Among others, as it is critically important for us to reach Chinese tourists who are dominant in terms of the number of foreign tourists visiting Japan and their purchasing power, we will aggressively seek business alliance with Chinese companies so that we can access to more Chinese users more quickly than any other competitors. Now we need to move quickly to add more services.

Maintaining and improving the quality of content will be vital as we continue to supply information that is used by the general public. We have already established policies for specific activities so that all employees of the Shobunsha Publications Group can participate in quality assurance. These activities are overseen by departments responsible for quality assurance. We will continue to prioritize activities aimed at further improving the quality of our content.

The entire Shobunsha Publications Group is determined to use the resources needed to overcome these challenges and achieve the group's goals.

(5) Other Important Management Items

Not applicable.

(Before corrections)

4. Basic Approach to the Selection of Accounting Standards

The Shobunsha Publications Group uses generally accepted accounting principles in Japan because group companies operate primarily in Japan and there is normally no need to procure funds in other countries. In addition, the use of Japanese accounting principles facilitates comparisons with other companies in Japan in the same industry.

(Before corrections)

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Assets		
Current assets		
Cash and deposits	11,357,006	8,923,918
Notes and accounts receivable-trade	3,081,905	4,295,780
Securities	1,025,280	1,325,527
Merchandise and finished goods	1,576,603	1,762,628
Work in process	350,861	507,893
Raw materials and supplies	6,411	3,118
Other	82,994	373,378
Allowance for doubtful accounts	(538)	(808)
Total current assets	17,480,525	17,191,437
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,426,989	7,416,273
Accumulated depreciation	(4,881,790)	(4,998,528)
Buildings and structures, net	*2 2,545,199	*2 2,417,745
Machinery, equipment and vehicles	483,411	482,478
Accumulated depreciation	(437,998)	(447,640)
Machinery, equipment and vehicles, net	45,413	34,838
Tools, furniture and fixtures	1,009,677	946,317
Accumulated depreciation	(924,666)	(866,365)
Tools, furniture and fixtures, net	85,010	79,952
Land	*2 4,213,950	*2 4,213,950
Total property, plant and equipment	6,889,574	6,746,486
Intangible assets		
Database	-	118,692
Software	316,332	614,414
Other	9,412	9,291
Total intangible assets	325,745	742,398
Investments and other assets		
Investment securities	2,043,170	*1 2,151,129
Net defined benefit asset	1,356,154	1,032,552
Other	*1 614,488	*1 620,752
Allowance for doubtful accounts	(381,208)	(421,395)
Total investments and other assets	3,632,605	3,383,038
Total non-current assets	10,847,925	10,871,923
Total assets	28,328,450	28,063,361

(Before corrections)

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,305,829	1,015,847
Short-term loans payable	770,000	770,000
Current portion of long-term loans payable	*2 50,017	*2 20,838
Accrued expenses	460,431	325,988
Income taxes payable	67,244	66,605
Accrued consumption taxes	62,051	139,044
Provision for bonuses	362,405	308,085
Provision for sales returns	607,277	1,013,605
Other	197,467	542,472
Total current liabilities	3,882,723	4,202,486
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term loans payable	*2 20,838	-
Deferred tax liabilities	1,134,888	864,157
Provision for directors' retirement benefits	224,500	246,400
Net defined benefit liability	85,002	95,310
Other	2,092	2,092
Total non-current liabilities	2,467,320	2,207,959
Total liabilities	6,350,044	6,410,445
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	1,206,292
Treasury shares	(525,281)	(525,371)
Total shareholders' equity	21,087,507	21,293,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	936,631	609,046
Remeasurements of defined benefit plans	(45,732)	(276,870)
Total accumulated other comprehensive income	890,898	332,176
Subscription rights to shares	-	27,713
Total net assets	21,978,406	21,652,915
Total liabilities and net assets	28,328,450	28,063,361

(Before corrections)

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net sales	12,395,933	13,035,362
Cost of sales	9,311,202	8,253,204
Gross profit	3,084,731	4,782,158
Reversal of provision for sales returns	815,323	607,277
Provision for sales returns	607,277	1,013,605
Provision for sales returns-net	(208,046)	406,328
Gross profit-net	3,292,777	4,375,830
Selling, general and administrative expenses	*1 *2 4,226,853	*1 *2 4,068,996
Operating income (loss)	(934,076)	306,834
Non-operating income		
Interest income	3,138	2,615
Dividend income	23,391	29,948
Rent income	29,471	30,487
Dividend income of insurance	4,259	4,052
Other	18,891	25,337
Total non-operating income	79,152	92,441
Non-operating expenses		
Interest expenses	12,380	12,035
Share issuance cost	-	10,858
Bond issuance cost	8,483	-
Cost of lease revenue	8,732	8,981
Loss on investments in partnership	1,429	2,119
Other	1,570	2,178
Total non-operating expenses	32,595	36,173
Ordinary income (loss)	(887,519)	363,102
Extraordinary income		
Gain on sales of non-current assets	*3 550	*3 1,422
Gain on sales of investment securities	1,583	171,610
Total extraordinary income	2,133	173,032
Extraordinary losses		
Loss on sales of non-current assets	*4 7,799	*4 1
Loss on retirement of non-current assets	*5 1,207	*5 2,345
Loss on valuation of investment securities	4,999	-
Impairment loss	5,868,326	-
Total extraordinary losses	5,882,333	2,347
Profit (loss) before income taxes	(6,767,718)	533,787
Income taxes-current	59,153	37,412
Income taxes-deferred	215,368	(41,794)
Total income taxes	274,522	(4,381)
Profit (loss)	(7,042,241)	538,169
Profit (loss) attributable to owners of parent	(7,042,241)	538,169

(Before corrections)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Profit (loss)	(7,042,241)	538,169
Other comprehensive income		
Valuation difference on available-for-sale securities	422,890	(327,584)
Remeasurements of defined benefit plans, net of tax	(135,332)	(231,138)
Total other comprehensive income	* 287,558	* (558,722)
Comprehensive income	(6,754,682)	(20,552)
Comprehensive income attributable to:		
Owners of parent	(6,754,682)	(20,552)
Non-controlling interests	-	-

(Before corrections)

(3) Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,903,870	10,708,236	8,314,185	(525,047)	28,401,244
Cumulative effects of changes in accounting policies			61,305		61,305
Restated balance	9,903,870	10,708,236	8,375,491	(525,047)	28,462,549
Changes of items during period					
Dividends of surplus			(332,566)		(332,566)
Profit attributable to owners of parent			(7,042,241)		(7,042,241)
Purchase of treasury shares				(234)	(234)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(7,374,807)	(234)	(7,375,042)
Balance at end of current period	9,903,870	10,708,236	1,000,683	(525,281)	21,087,507

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	513,740	89,599	603,339	-	29,004,584
Cumulative effects of changes in accounting policies					61,305
Restated balance	513,740	89,599	603,339	-	29,065,889
Changes of items during period					
Dividends of surplus					(332,566)
Profit attributable to owners of parent					(7,042,241)
Purchase of treasury shares					(234)
Net changes of items other than shareholders' equity	422,890	(135,332)	287,558	-	287,558
Total changes of items during period	422,890	(135,332)	287,558	-	(7,087,483)
Balance at end of current period	936,631	(45,732)	890,898	-	21,978,406

(Before corrections)

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,903,870	10,708,236	1,000,683	(525,281)	21,087,507
Cumulative effects of changes in accounting policies					-
Restated balance	9,903,870	10,708,236	1,000,683	(525,281)	21,087,507
Changes of items during period					
Dividends of surplus			(332,560)		(332,560)
Profit attributable to owners of parent			538,169		538,169
Purchase of treasury shares				(89)	(89)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	205,608	(89)	205,518
Balance at end of current period	9,903,870	10,708,236	1,206,292	(525,371)	21,293,026

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	936,631	(45,732)	890,898	-	21,978,406
Cumulative effects of changes in accounting policies					-
Restated balance	936,631	(45,732)	890,898	-	21,978,406
Changes of items during period					
Dividends of surplus					(332,560)
Profit attributable to owners of parent					538,169
Purchase of treasury shares					(89)
Net changes of items other than shareholders' equity	(327,584)	(231,138)	(558,722)	27,713	(531,009)
Total changes of items during period	(327,584)	(231,138)	(558,722)	27,713	(325,490)
Balance at end of current period	609,046	(276,870)	332,176	27,713	21,652,915

(Before corrections)

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Profit (loss) before income taxes	(6,767,718)	533,787
Depreciation and amortization	1,218,881	328,626
Loss (gain) on sales of short-term and long-term investment securities	(1,583)	(171,610)
Loss (gain) on valuation of short-term and long-term investment securities	4,999	-
Impairment loss	5,868,326	-
Increase (decrease) in allowance for doubtful accounts	(4,305)	40,456
Increase (decrease) in net defined benefit liability	9,002	10,307
Decrease (increase) in net defined benefit asset	(287,632)	(29,729)
Increase (decrease) in provision for bonuses	16,259	(54,320)
Increase (decrease) in provision for sales returns	(208,046)	406,328
Interest and dividend income	(26,529)	(32,564)
Rent income	(29,471)	(30,487)
Interest expenses	12,380	12,035
Decrease (increase) in notes and accounts receivable-trade	1,069,743	(1,213,874)
Decrease (increase) in inventories	(113,026)	(339,764)
Decrease (increase) in other current assets	(7,654)	(53,394)
Decrease (increase) in other non-current assets	(18,438)	(2,144)
Increase (decrease) in notes and accounts payable-trade	307,746	(289,981)
Increase (decrease) in accrued consumption taxes	(11,226)	76,993
Increase (decrease) in other current liabilities	151,446	(142,352)
Increase (decrease) in other non-current liabilities	30,300	21,900
Subtotal	1,213,451	(929,788)
Interest and dividend income received	26,327	32,809
Proceeds from rent income	29,619	30,444
Interest expenses paid	(12,369)	(11,937)
Income taxes paid	(46,463)	(63,648)
Net cash provided by (used in) operating activities	1,210,565	(942,120)
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	(64,325)	(55,698)
Proceeds from sales of property, plant and equipment	19,464	1,600
Purchase of intangible assets	(467,998)	(571,609)
Purchase of investment securities	(26,397)	(511,313)
Proceeds from sales of investment securities	31,874	10,240
Collection of loans receivable	3,285	2,515
Net cash provided by (used in) investing activities	(504,096)	(524,266)
Cash flows from financing activities		
Proceeds from issuance of bonds	991,516	-
Proceeds from long-term loans payable	50,000	-
Repayments of long-term loans payable	(79,174)	(50,017)
Purchase of treasury shares	(234)	(89)
Proceeds from issuance of subscription rights to shares	-	16,944
Cash dividends paid	(332,955)	(333,292)
Net cash provided by (used in) financing activities	629,152	(366,454)
Net increase (decrease) in cash and cash equivalents	1,335,620	(1,832,840)
Cash and cash equivalents at beginning of period	10,446,666	11,782,287
Cash and cash equivalents at end of period	* 11,782,287	* 9,949,446

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

Effective from 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 current fiscal year, the allocation of the cost of acquisitions, as determined after review of provisional accounting treatment, is reflected in the consolidated financial statements for the period in which the business combination took place. Additionally, the method of presenting consolidated net income was changed and references to “minority interests” were changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its 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 current fiscal year into the future.

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

(Before corrections)

Notes to Consolidated Balance Sheet

*1. The following items are applicable to a non-consolidated subsidiary and affiliates.

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Investment securities (stocks)	-	300,000
Investments and other assets, other (investments in capital)	19,000	19,000
Total	19,000	319,000

*2. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Buildings and structures	393,910	377,252
Land	206,040	206,040
Total	599,950	583,293

Liabilities with collateral

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Current portion of long-term loans payable	50,017	20,838
Long-term loans payable	20,838	-
Total	70,855	20,838

Notes to Consolidated Statement of Income

*1. Major items of selling, general and administrative expenses

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Packing and delivery expenses	171,912	172,339
Promotion expenses	131,087	150,623
Advertising expenses	307,004	210,146
Provision of allowance for doubtful accounts	(4,064)	40,178
Directors' compensations	182,286	179,435
Provision for directors' retirement benefits	30,300	21,900
Salaries, allowances and bonuses	1,494,344	1,520,303
Provision for bonuses	180,408	157,371
Legal welfare expenses	258,822	267,162
Retirement benefit expenses	(80,913)	71,851
Transportation expenses	162,143	158,107
Depreciation	113,631	100,968
Rent expenses	63,233	63,975
Business consignment expenses	254,964	205,779
Taxes and dues	50,697	51,123
Research and development expenses	195,514	98,408
Amortization of goodwill	44,099	-
Other	671,381	599,321
Total	4,226,853	4,068,996

(Before corrections)

*2. Total amount of research and development expenses included in general and administrative expenses

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
	195,514	98,408

*3. Breakdown of gain on sales of non-current assets

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Machinery, equipment and vehicles	550	1,418
Tools, furniture and fixtures	-	3
Total	550	1,422

*4. Breakdown of loss on sales of non-current assets

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	484	-
Machinery, equipment and vehicles	104	-
Tools, furniture and fixtures	0	1
Land	7,211	-
Total	7,799	1

*5. Breakdown of loss on retirement of non-current assets

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	50	0
Machinery, equipment and vehicles	-	1,047
Tools, furniture and fixtures	1,156	1,297
Total	1,207	2,345

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Valuation difference on available-for-sale securities:		
Amount incurred during the year	491,175	(272,956)
Reclassification adjustments	(1,583)	(161,370)
Before tax effect adjustments	489,592	(434,327)
Tax effect	(66,701)	106,743
Valuation difference on available-for-sale securities	422,890	(327,584)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	56,637	(370,206)
Reclassification adjustments	(241,586)	16,875
Before tax effect adjustments	(184,948)	(353,331)
Tax effect	49,616	122,193
Remeasurements of defined benefit plans, net of tax	(135,332)	(231,138)
Total other comprehensive income	287,558	(558,722)

(Before corrections)

Notes to Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Type of share and the number of outstanding shares and treasury shares (Thousands of share)

	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Outstanding shares				
Common stock	17,307	-	-	17,307
Total	17,307	-	-	17,307
Treasury shares				
Common stock (Note)	679	0	-	679
Total	679	0	-	679

Note: The number of treasury shares of common stock increased 0 thousand shares due to the acquisition of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 27, 2014	Common stock	332,566	20	Mar. 31, 2014	Jun. 30, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 26, 2015	Common stock	332,560	Retained earnings	20	Mar. 31, 2015	Jun. 29, 2015

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Type of share and the number of outstanding shares and treasury shares (Thousands of share)

	Number of shares as of Apr. 1, 2015	Increase	Decrease	Number of shares as of Mar. 31, 2016
Outstanding shares				
Common stock	17,307	-	-	17,307
Total	17,307	-	-	17,307
Treasury shares				
Common stock (Note)	679	0	-	679
Total	679	0	-	679

Note: The number of treasury shares of common stock increased 0 thousand shares due to the acquisition of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 26, 2015	Common stock	332,560	20	Mar. 31, 2015	Jun. 29, 2015

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 29, 2016	Common stock	332,558	Retained earnings	20	Mar. 31, 2016	Jun. 30, 2016

Notes to Consolidated Statement of Cash Flows

* Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheet is made as follows.

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash and deposits	11,357,006	8,923,918
Securities (of which MMF)	1,025,280	1,025,527
Time deposit with maturities over 3 months	(600,000)	-
Cash and cash equivalents	11,782,287	9,949,446

Segment and Other Information

Segment information

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

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

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

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

Related information

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Information by product or service (Thousands of yen)

Category		Sales to external customers
Retail publishing	Maps	2,318,606
	Magazines	2,949,021
	Guidebooks	1,173,368
	Practical books	31,868
Subtotal		6,472,864
Special-order products		668,139
Advertising		860,711
e-business sales		4,363,498
Fees and commissions		30,719
Total		12,395,933

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client (Thousands of yen)

Company name	Sales
NIPPON SHUPPAN HANBAI INC.	2,215,308
TOHAN CORPORATION	2,088,010
NIHON CHIZU KYOHAN Co., Ltd.	1,295,208

Note: The Group does not provide segment information because it has only a single business segment.

(Before corrections)

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Information by product or service (Thousands of yen)

Category		Sales to external customers
Retail publishing	Maps	3,206,879
	Magazines	3,281,942
	Guidebooks	1,246,708
	Practical books	214,788
Subtotal		7,950,318
Special-order products		732,420
Advertising		801,256
e-business sales		3,503,056
Fees and commissions		48,310
Total		13,035,362

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client (Thousands of yen)

Company name	Sales
NIPPON SHUPPAN HANBAI INC.	2,796,823
TOHAN CORPORATION	2,709,752
NIHON CHIZU KYOHAN Co., Ltd.	1,360,758

Note: The Group does not provide segment information because it has only a single business segment.

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

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

Information related to goodwill amortization and the unamortized balance for each reportable segment

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

Information related to negative goodwill profits for each reportable segment

Not applicable.

Per-share Information

(Yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net assets per share	1,321.77	1,300.53
Net income (loss) per share	(423.51)	32.37
Diluted net income per share	-	29.60

Notes: 1. Diluted net income per share for FY3/15 is not presented since the Company has outstanding dilutive securities, though posted a net loss.

2. Basis for calculating net income (loss) per share and diluted net income (loss) per share is as follows.

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net income (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(7,042,241)	538,169
Amount not available to common shareholders (Thousands of yen)	-	-
Profit (loss) attributable to common shareholders of parent (Thousands of yen)	(7,042,241)	538,169
Average number of shares outstanding during period (Thousands of share)	16,628	16,627
Diluted net income per share		
Profit attributable to owners of parent (Thousands of yen)	-	-
Increase in the number of common shares (Thousands of share)	-	1,550
[of which subscription rights to shares (Thousands of share)]	-	[1,550]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-	Stock acquisition rights No. 1 (Number of stock acquisition rights: 6,000 units) Stock acquisition rights No. 2 (Number of stock acquisition rights: 1,300 units) Stock acquisition rights No. 3 (Number of stock acquisition rights: 1,000 units) Stock acquisition rights No. 4 (Number of stock acquisition rights: 8,548 units)

Subsequent Events

Not applicable.

6. Other Information

(1) Changes in Directors

Not applicable.

(2) Others

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.