

ZENRIN

Securities Code: 9474

Briefing on Results for Fiscal 2014

(Year Ended March 31, 2014)

May 15, 2014

ZENRIN Co., Ltd.

Zenshi Takayama

Junya Amita

Masami Matsuo

President and CEO

Executive Vice President

Executive Officer, and
Head of Corporate Management Division

Maps to the Future

1. Overview of Results for Fiscal 2014
2. Earnings Forecast for Fiscal 2015
3. Business Summary
4. Appendix

Note: This document contains forward-looking statements based on assumptions, forecasts and plans in light of information available to ZENRIN Co., Ltd. as of the preparation date of this document. Actual performance may vary significantly from the forecast figures due to various risks and uncertainties owing to global economic trends, market demand, status of competition, exchange fluctuations and other factors.
The information that appears in this document rounds down fractions to the nearest specified unit and rounds off decimals in the percentage of change to the first decimal place.
In addition, cases where the percentage of change exceeds 1000% and cases where one or both are negative are shown as “-.”

1. Overview of Results for Fiscal 2014

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- (1) Overview of Results
 - (2) Causes for Change in Operating Income
 - (3) Main Breakdown of
Ordinary Income and Net Income
 - (4) Segment Information
 - (5) Changes in Cash Flows
 - (6) Purchase of Treasury Stock
 - (7) Dividends
-

1. Overview of Results for Fiscal 2014

(1) Overview of Results for Fiscal 2014

(Amounts in million yen)

Compared to Fiscal 2013

<decrease in sales and decrease in income> *Operating income

■ Net sales

- New products and other residential map database related sales were robust
- Decrease in sales of data for in-car navigation systems due to shift to light vehicles in new vehicle sales in Japan, change in the composition of in-car navigation systems to low-priced models, etc.
- Decrease in sales of data for in-car navigation systems for North American market
- Restructuring of subsidiaries led to decrease in sales

■ Income

- In addition to decrease in sales, map database related prior expenses led to decrease in income

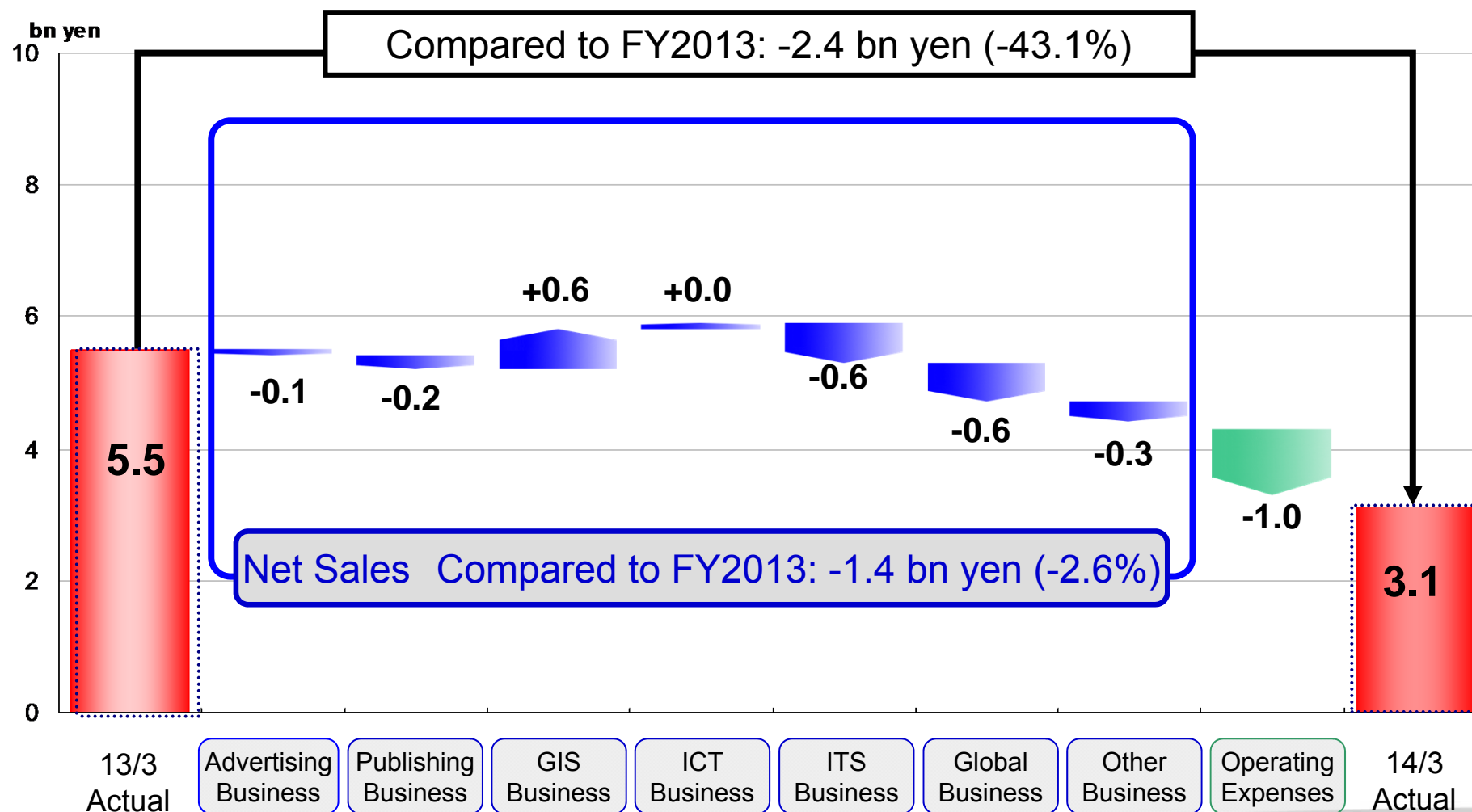
Compared to Jan. 31 Forecast <increase in sales and increase in income> *Operating income

- Temporary increase in demand for data for in-car navigation systems ahead of the consumption tax hike
- Increase in residential map data through to the end of the fiscal year
- Increase in sales led to improvement in revenue and thus the earnings forecast was revised on April 22

	FY2013 Actual	FY2014 Earnings Forecast (Jan. 31)	FY2014 Revised Forecast (Apr. 22)	FY2014 Actual	Compared to FY2013		Compared to Earnings Forecast (Jan. 31)		Compared to Revised Forecast (Apr. 22)	
						% of Change		% of Change		% of Change
Net Sales	54,991	53,000	53,580	53,589	-1,402	-2.6	589	1.1	9	0.0
Operating Expenses	49,406	50,300	50,400	50,409	1,002	2.0	109	0.2	9	0.0
Operating Income	5,585	2,700	3,180	3,180	-2,405	-43.1	480	17.8	0	0.0
Operating Margin	10.2%	5.1%	5.9%	5.9%	-4.3pt	—	0.8pt	—	0.0pt	—
Ordinary Income	5,076	3,100	3,660	3,663	-1,413	-27.8	563	18.2	3	0.1
Ordinary Margin	9.2%	5.8%	6.8%	6.8%	-2.4pt	—	1.0pt	—	0.0pt	—
Net Income	1,835	900	1,270	1,272	-563	-30.7	372	41.3	2	0.2

1. Overview of Results for Fiscal 2014

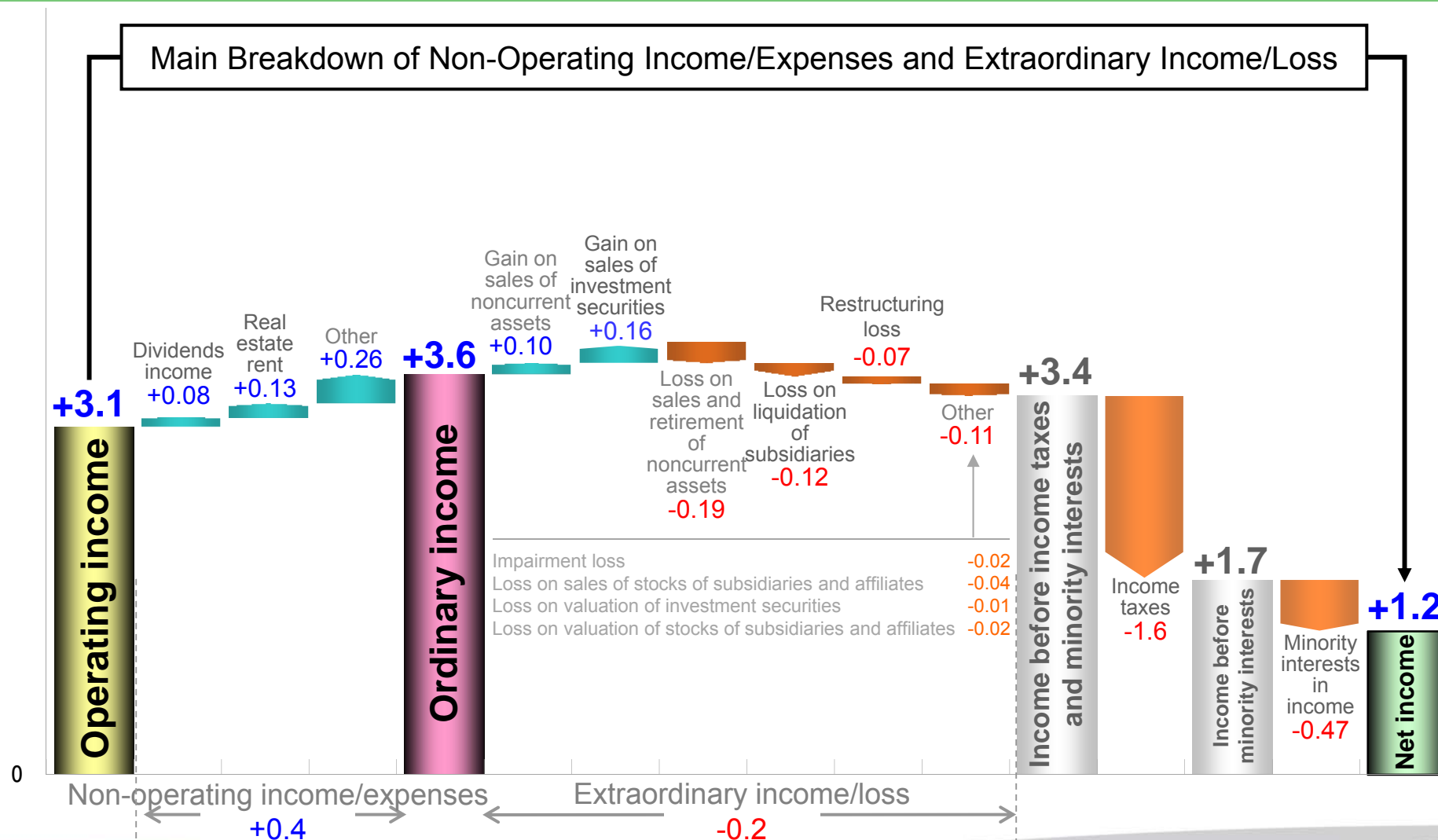
(2) Causes for Change in Operating Income (Compared to Fiscal 2013) (Amounts in billion yen)



1. Overview of Results for Fiscal 2014

(3) Main Breakdown of Ordinary Income and Net Income

(Amounts in billion yen)



1. Overview of Results for Fiscal 2014

(4)-1 Segment Information

Sales
Composition

86.3%

1. Map Database Segment

Main Items: Printed residential maps, residential map databases, data for Japanese and overseas in-car navigation systems, services for smartphones, map data provision, etc. for various media/devices



7.3%

2. General Printing Segment

Main Items: Commercial printing



6.4%

3. Other

Main Items: Purchased products, novelty products, commissioned CAD processing, etc.



1. Overview of Results for Fiscal 2014

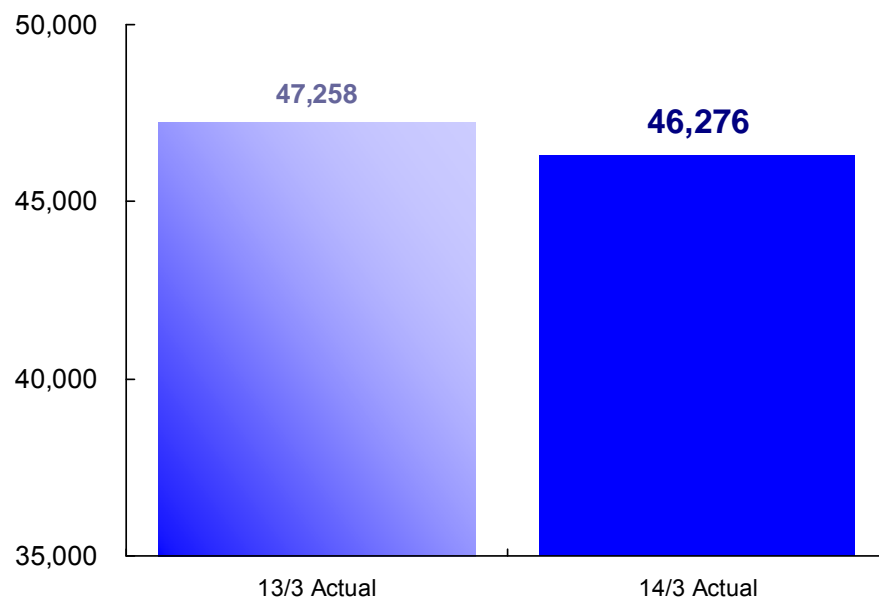
(4)-2 Map Database Segment

(Amounts in million yen)

Net Sales

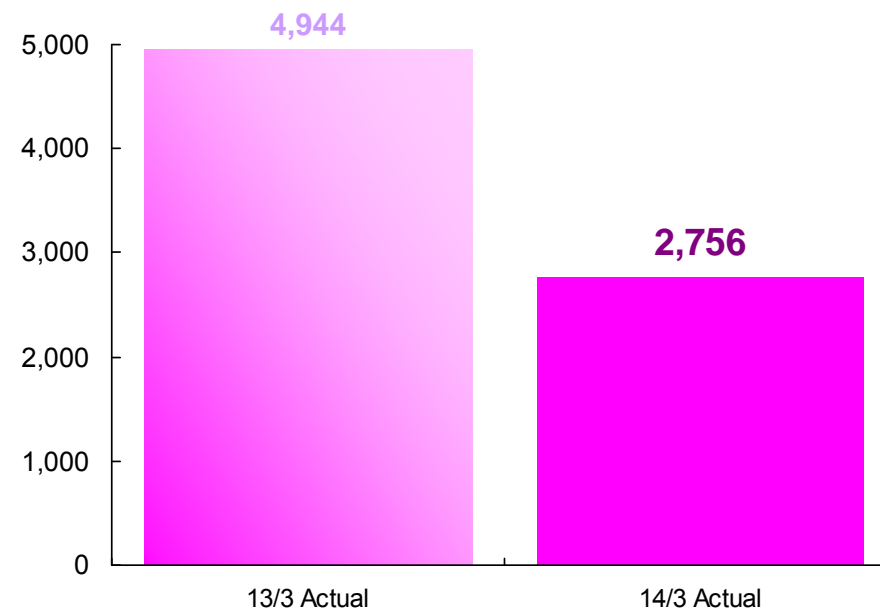
Compared to
FY2013

Down 981 (-2.1%)



Operating Income

Down 2,187 (-44.3%)



Compared to
FY2013

- Decrease in sales of data for Japanese in-car navigation systems
In fiscal first half, vehicle sales in Japan decreased on the rebound of the end of subsidies for green vehicles, shift to low-priced in-car navigation systems, etc.
- Decrease in orders of data for overseas in-car navigation systems
- Increase in prior expenses associated with map database maintenance and smartphone services

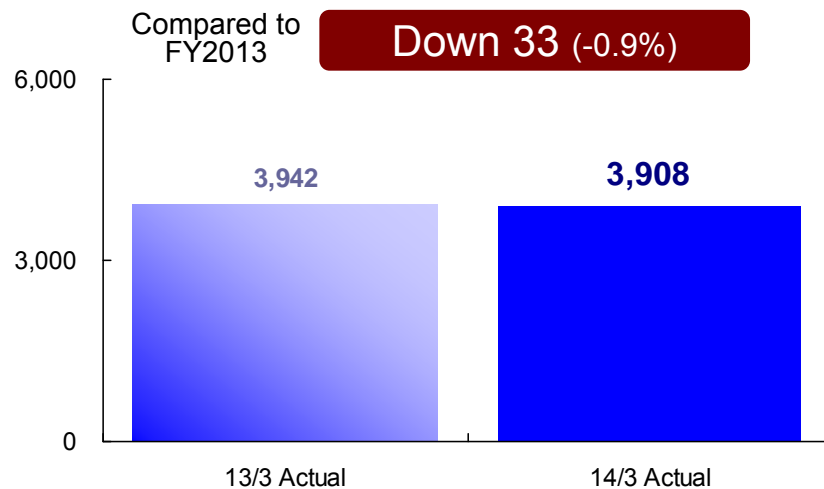
1. Overview of Results for Fiscal 2014

(4)-3 General Printing Segment, and Other

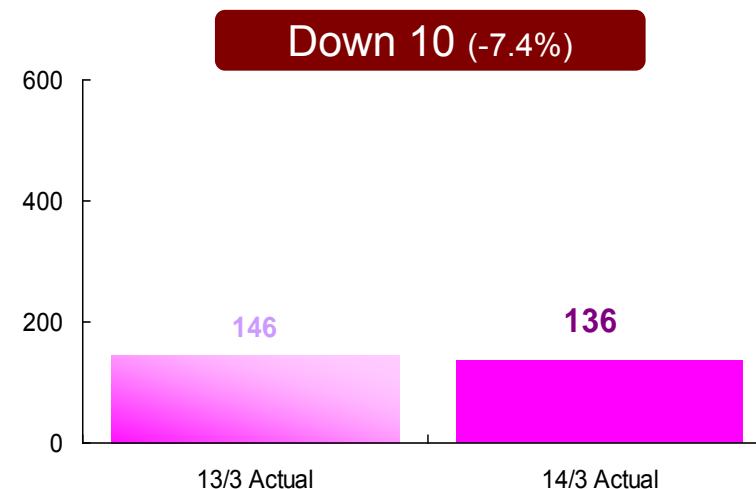
(Amounts in million yen)

General Printing Segment

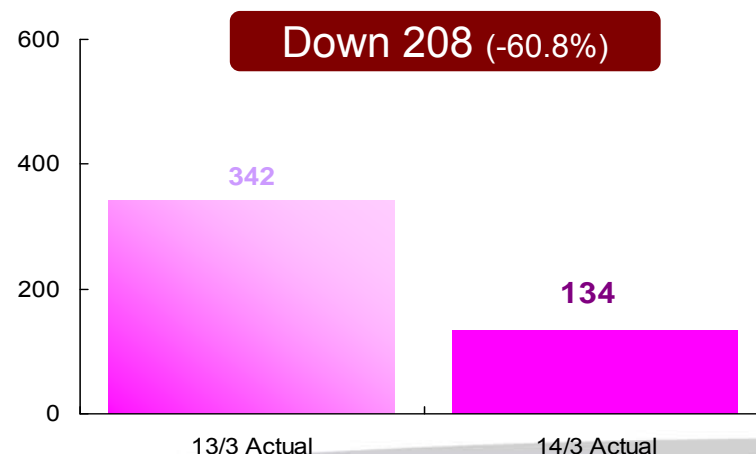
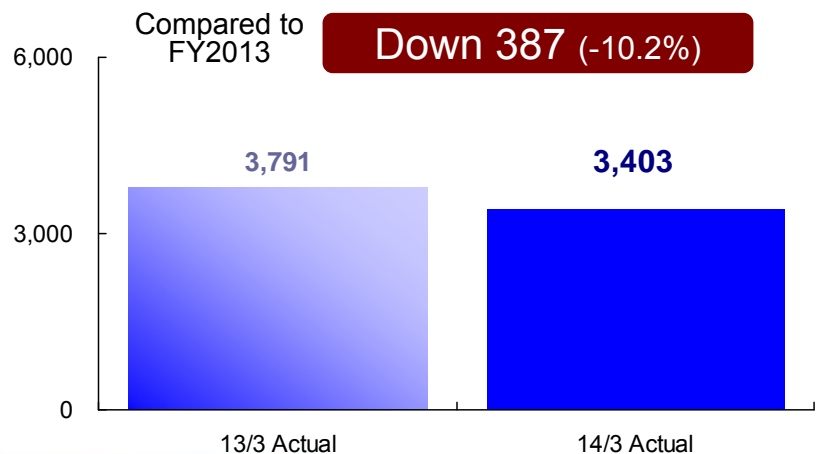
Net Sales



Operating Income

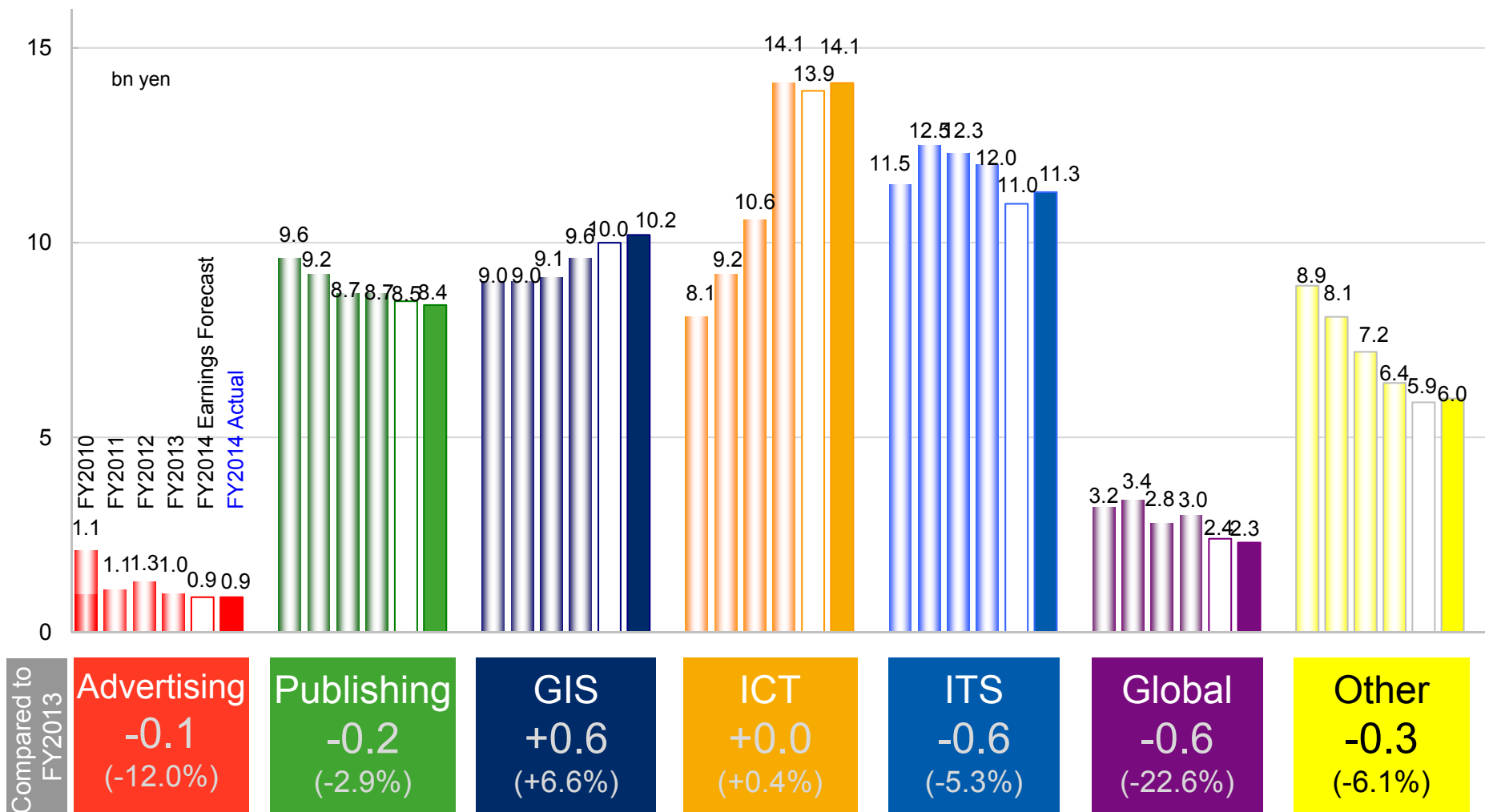


Other



1. Overview of Results for Fiscal 2014

(4)-4 Net Sales by Business Segment under Medium-Term Business Plan ZGP2015 (Amounts in billion yen)



*The earnings forecast is the figures announced on January 31, 2014.

1. Overview of Results for Fiscal 2014

(5) Changes in Cash Flows

(Amounts in million yen)

Operating Cash Flows

Inflows down 4,106

Investing Cash Flows

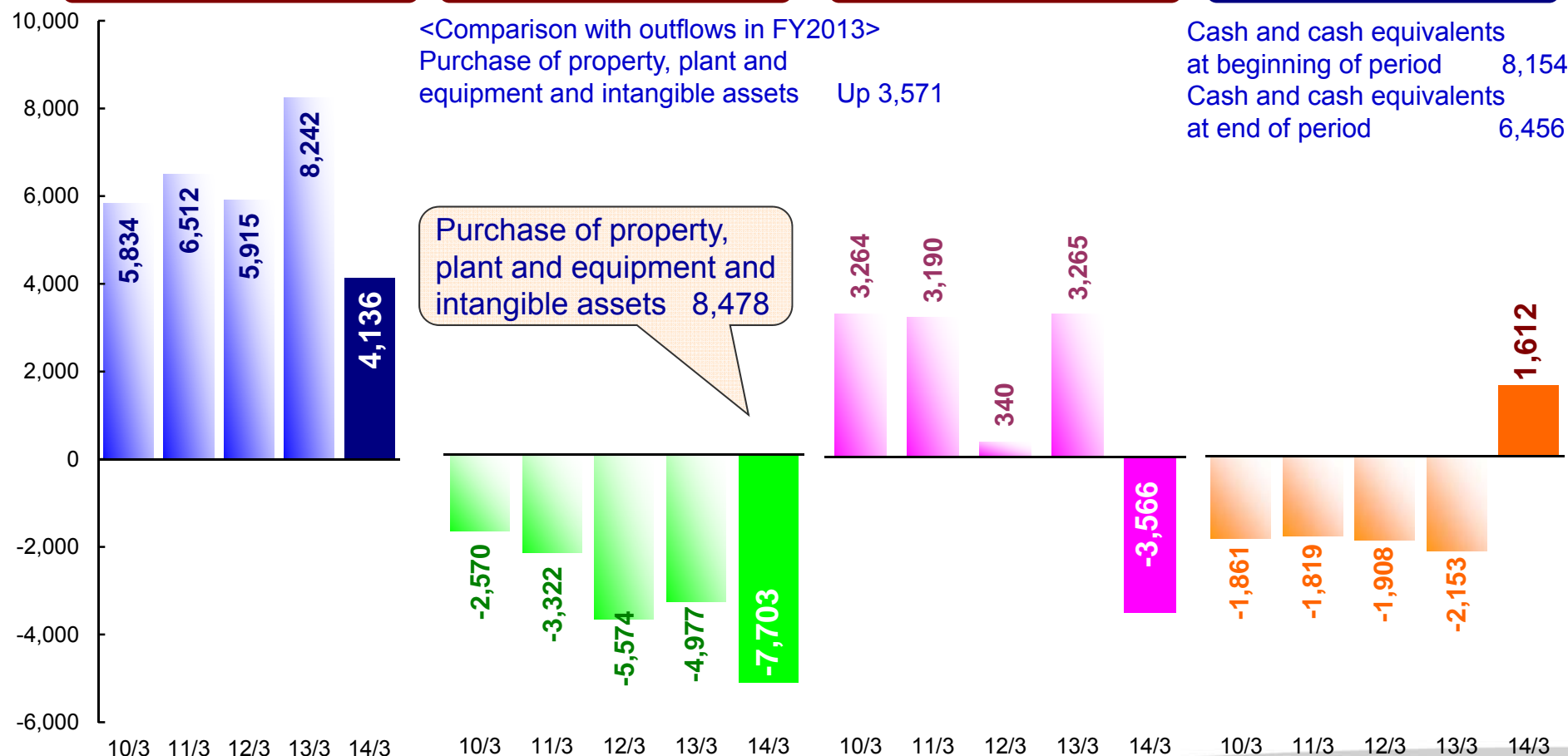
Outflows up 2,725

Free Cash Flows

Outflows up 6,831

Financing Cash Flows

Inflows up 3,765



(6) Purchase of Treasury Stock

Press release on purchase of treasury stock (April 1, 2014 disclosure) (excerpt)

(1) Type of shares purchased:	Common stock
(2) Total number of shares purchased:	700,000 shares
(3) Total amount of shares purchased:	702,401,200 yen
* Treasury stock as of March 31, 2014:	2,136,076 shares (5.59%)

(Reference)

Established share repurchase program by resolution at meeting of board of directors held on October 31, 2013

(1) Type of shares to be purchased:	Common stock
(2) Total number of shares to be purchased:	1,000,000 shares (maximum)
(3) Total amount of shares to be purchased:	1,500,000,000 yen (maximum)
(4) Purchase period:	November 1, 2013 to March 31, 2014

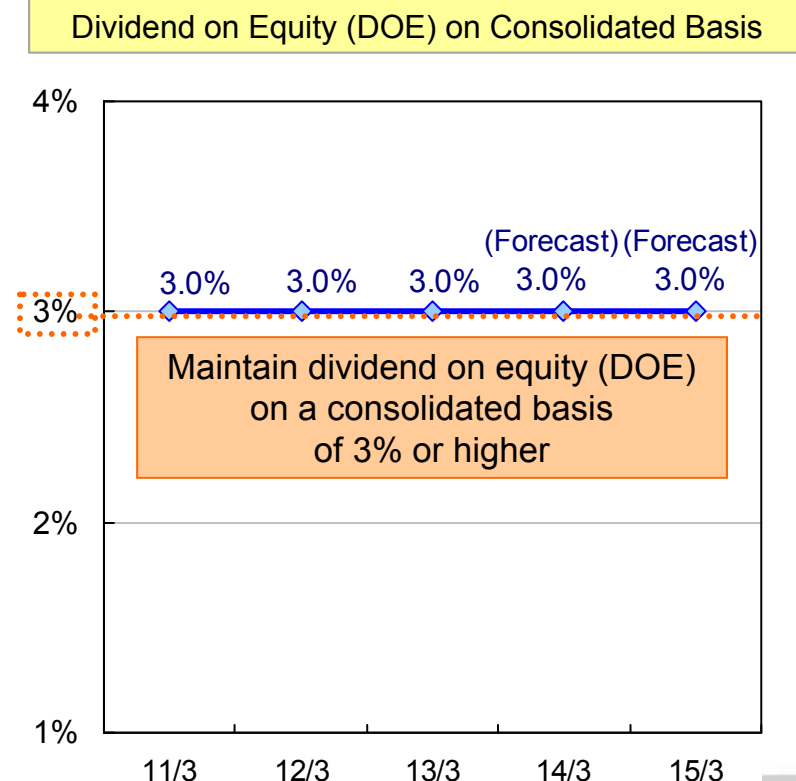
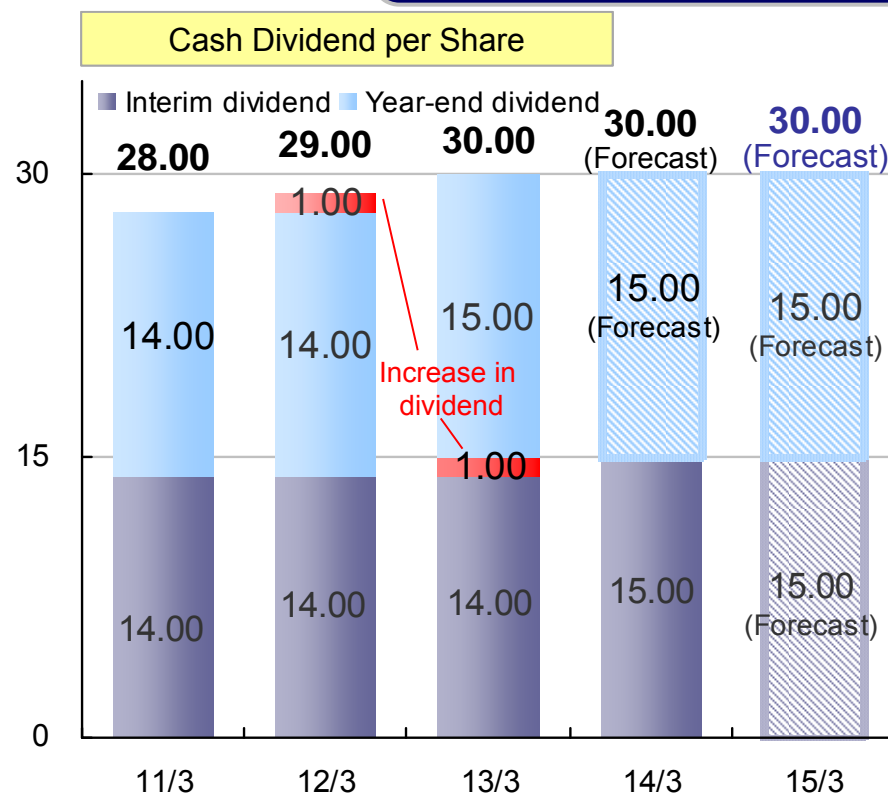
* ZENRIN shares held by “The Nomura Trust and Banking Co., Ltd. (ZENRIN Employee Shareholding Association Dedicated Trust Account)” have all been sold to the Employee Shareholding Association as of the end of December 2013.

1. Overview of Results for Fiscal 2014

(7) Dividends

Basic Policy: Return income to shareholders in accordance with the level of income on a consolidated basis while taking into account the maintaining of an adequate amount of internal reserves

**Annual dividend: 30 yen (forecast)
for both fiscal 2014 and fiscal 2015**



2. Earnings Forecast for Fiscal 2015

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- (1) Overview of Earnings Forecast
 - (2) Causes for Change in Operating Income
 - (3) Segment Information
-

2. Earnings Forecast for Fiscal 2015

(1) Overview of Earnings Forecast for Fiscal 2015

(Amounts in million yen)

◆ Key Points of Earnings Forecast for Fiscal 2015

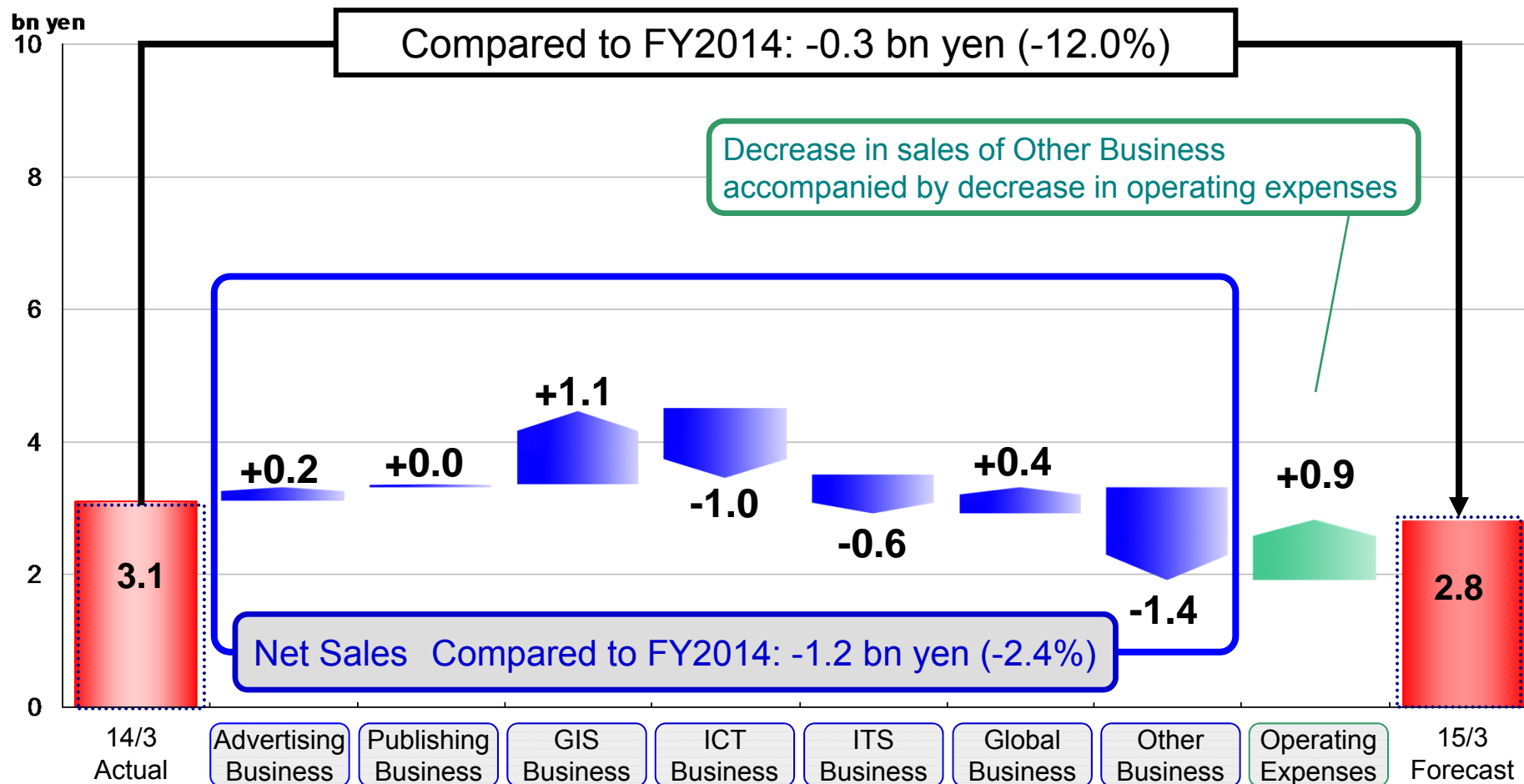
<decrease in sales and decrease in income> *Operating income

- Decrease in sales due to withdrawal from such businesses as the low-margin sales promotion business
- Map database maintenance expenses and prior investments in new products will continue, but with pursuit of productivity enhancement
- Increase in net income due in part to gain on sales of noncurrent assets accompanying restructuring

	FY2014 Actual	FY2015 Forecast	Compared to FY2014	% of Change
Net Sales	53,589	52,300	-1,289	-2.4
Operating Expenses	50,409	49,500	-909	-1.8
Operating Income	3,180	2,800	-380	-12.0
Operating Margin	5.9%	5.4%	-0.5pt	—
Ordinary Income	3,663	3,100	-563	-15.4
Ordinary Margin	6.8%	5.9%	-0.9pt	—
Net Income	1,272	2,100	827	65.1

2. Earnings Forecast for Fiscal 2015

(2) Causes for Change in Operating Income (Compared to Fiscal 2014) (Amounts in billion yen)



2. Earnings Forecast for Fiscal 2015

(3)-1 Segment Information

Sales
Composition

88.8%

1. Map Database Segment

Main Items: Printed residential maps, residential map databases, data for Japanese and overseas in-car navigation systems, services for smartphones, map data provision, etc. for various media/devices



7.0%

2. General Printing Segment

Main Items: Commercial printing



4.2%

3. Other

Main Items: Purchased products, digital signage



2. Earnings Forecast for Fiscal 2015

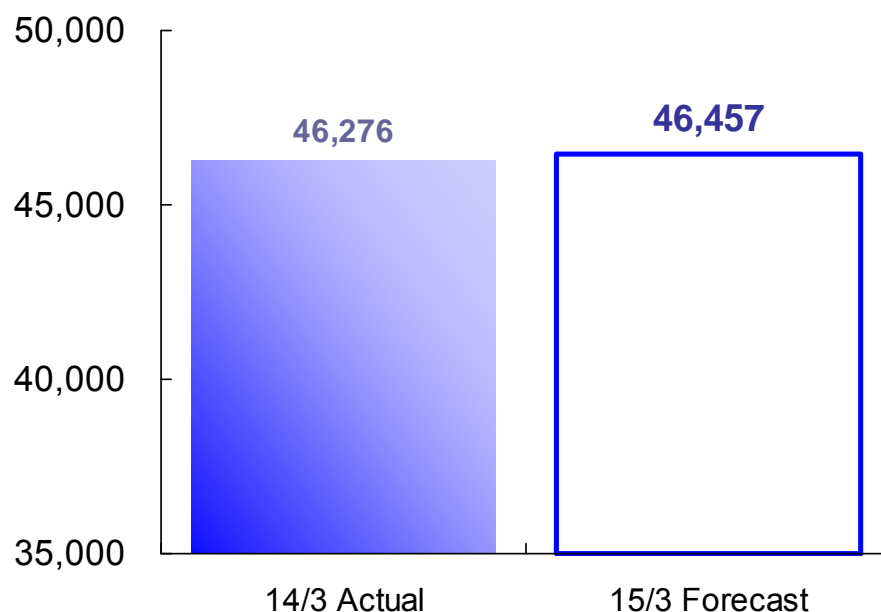
(3)-2 Map Database Segment

(Amounts in million yen)

Net Sales

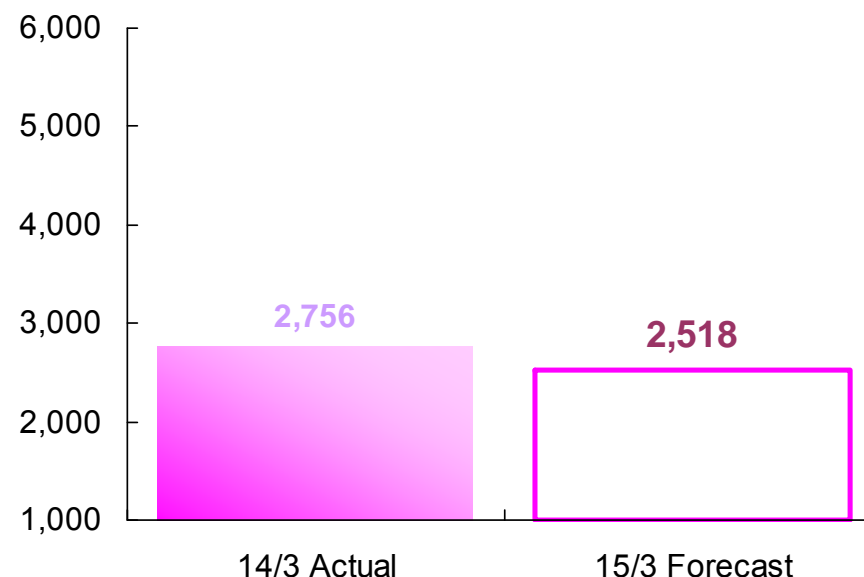
Compared to
FY2014

Up 180 (+0.4%)



Operating Income

Down 237 (-8.6%)



Compared to
FY2014

- Increase in sales resulting from shift to stock-type models and development of applications in GIS Business
- Decrease in fee-paying subscribers to services for smartphones expected in ICT Business
- Expenses for maintenance of 4D Geospatial Information DB and new map DB, development of new products and other operating expenses will precede

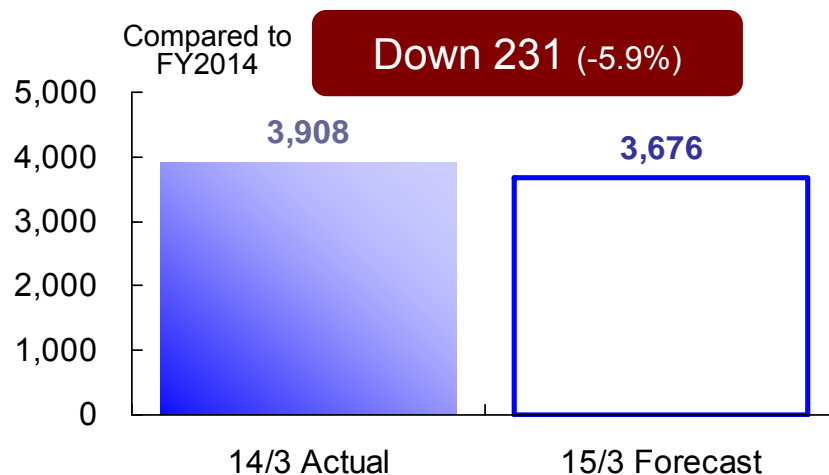
2. Earnings Forecast for Fiscal 2015

(3)-3 General Printing Segment, and Other

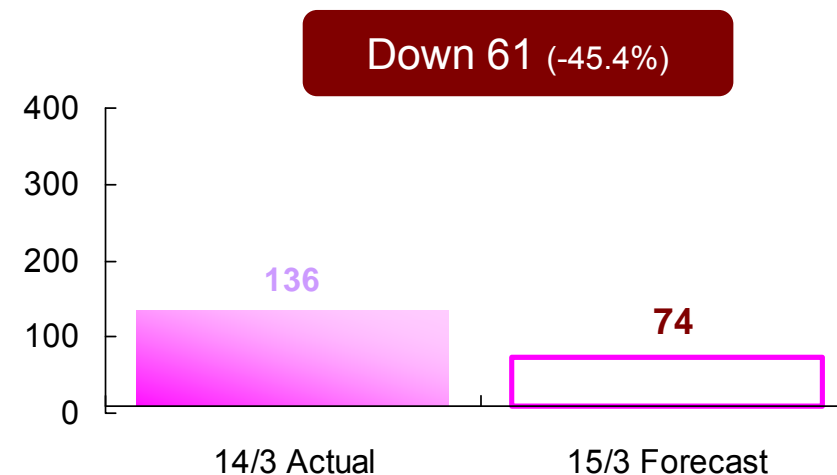
(Amounts in million yen)

General Printing Segment

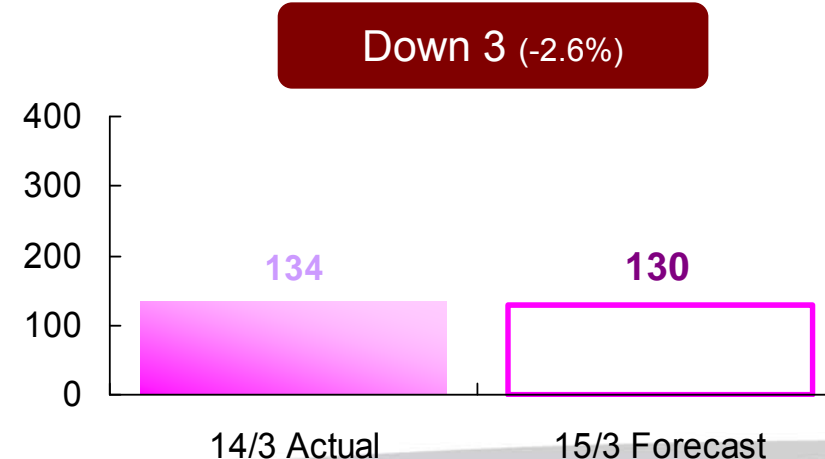
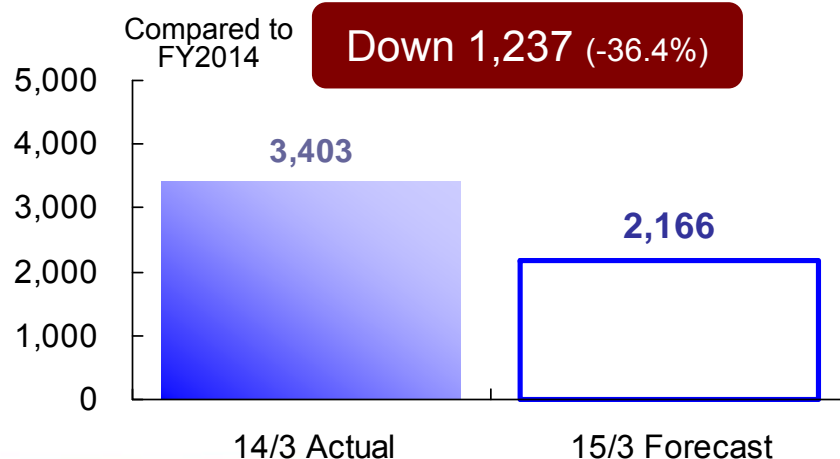
Net Sales



Operating Income

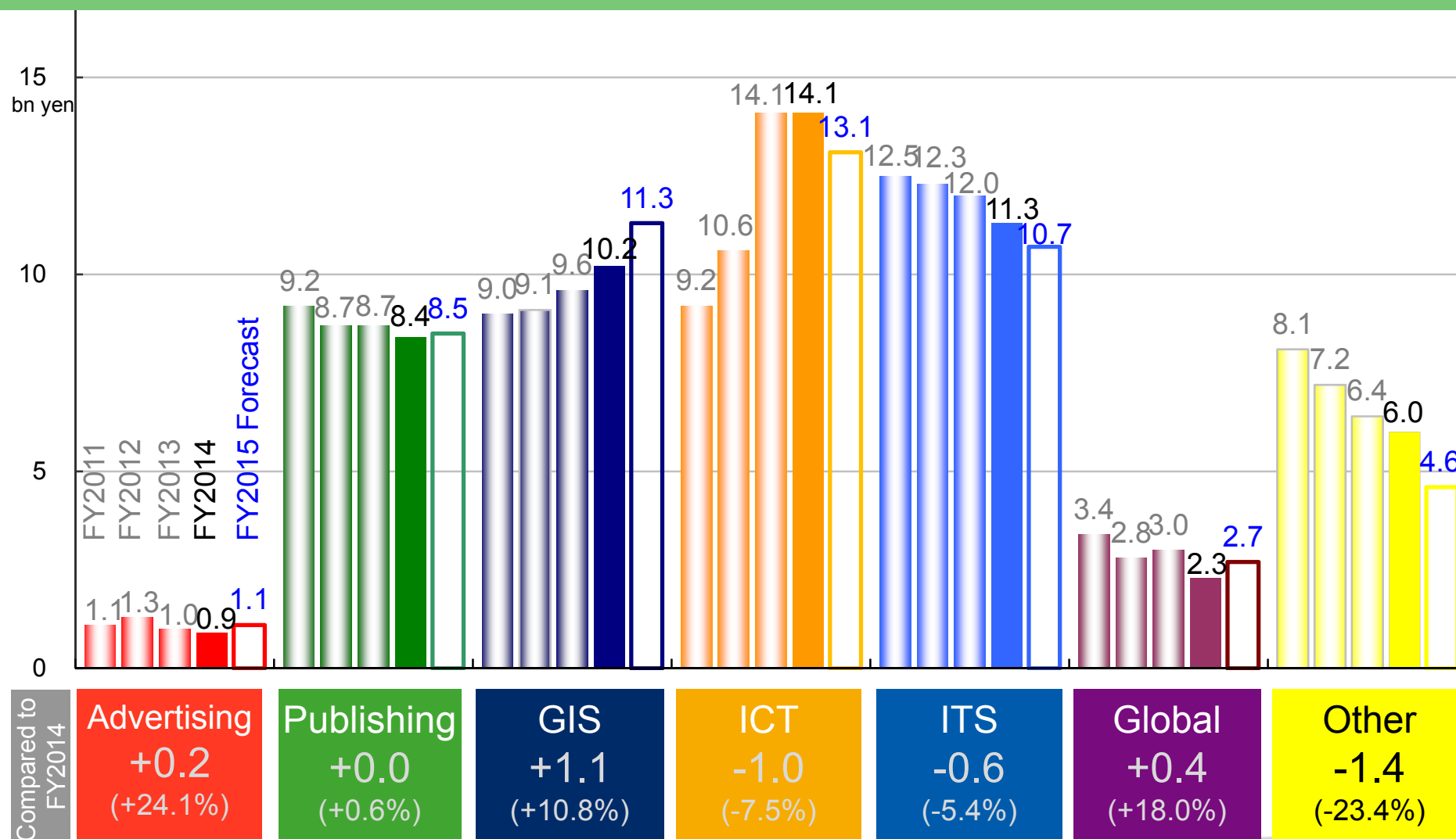


Other



2. Earnings Forecast for Fiscal 2015

(3)-4 Net Sales by Business Segment under Medium-Term Business Plan ZGP2015 (Amounts in billion yen)

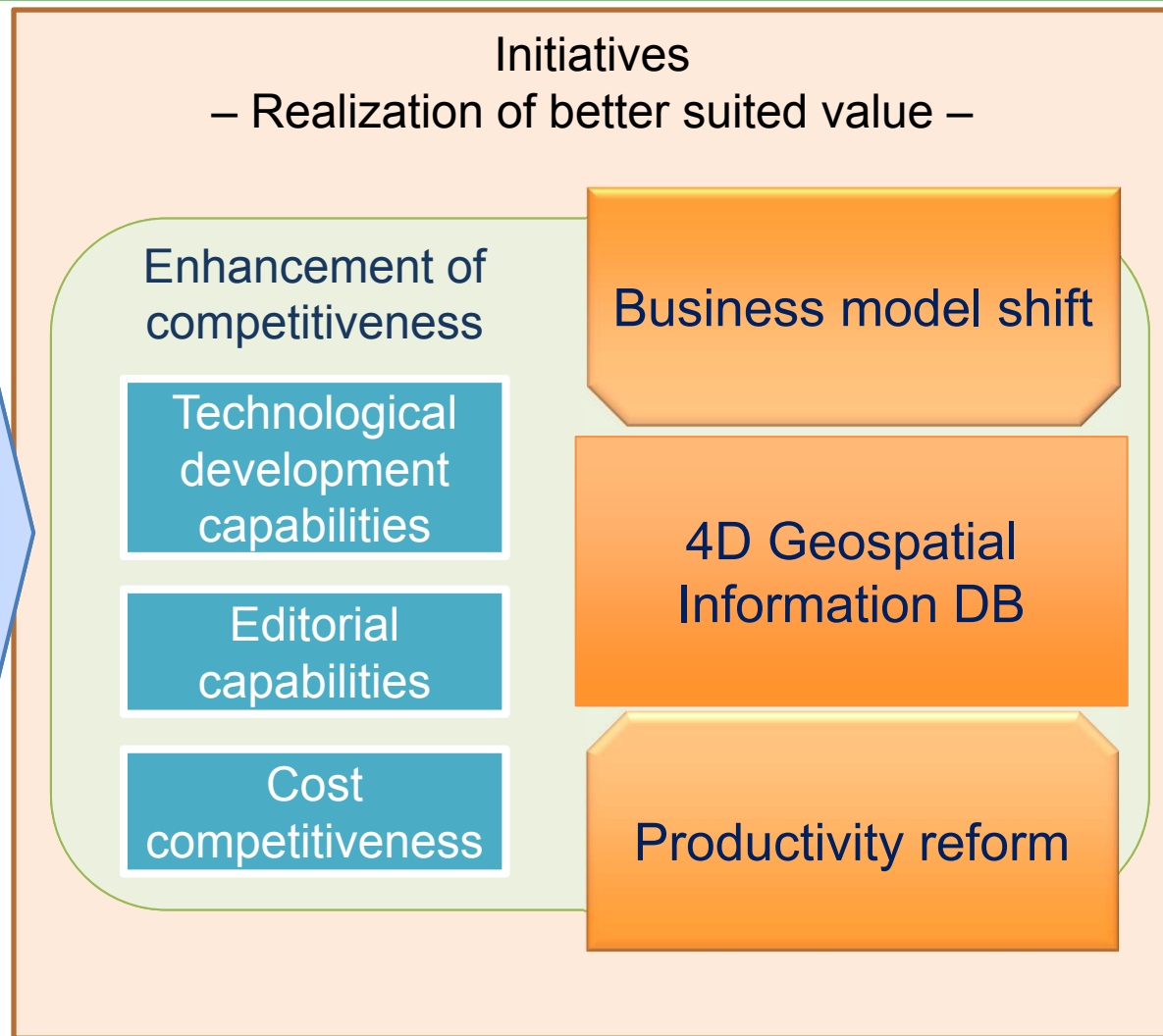
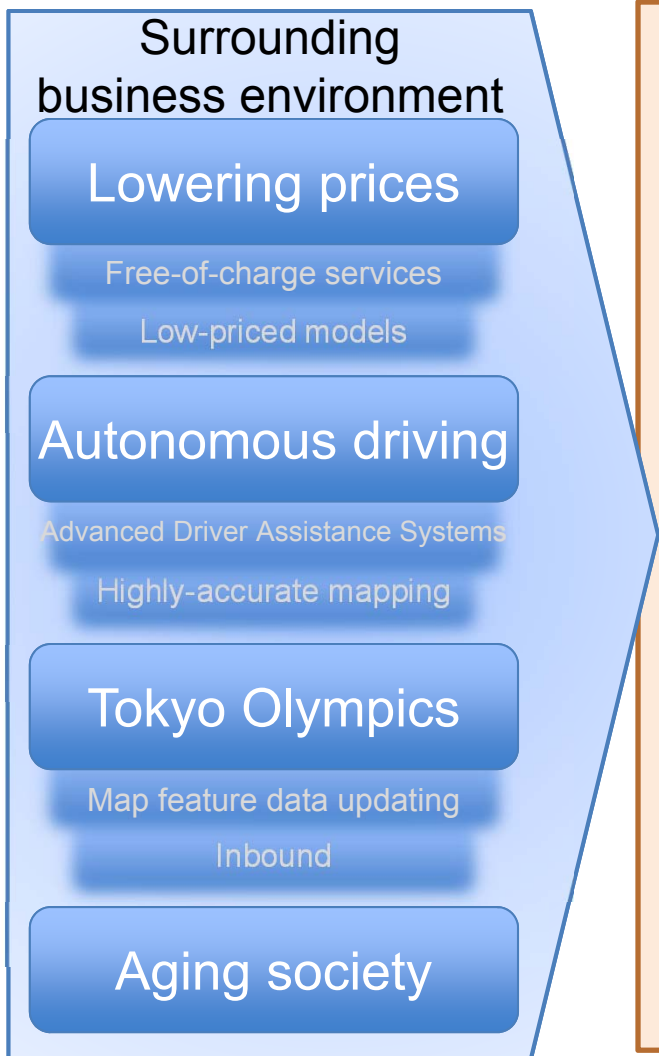


3. Business Summary

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- (1) Business Environment and Initiatives
 - (2) Summary by Business Segment
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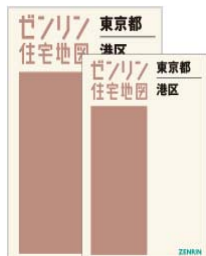
3. Business Summary

(1) Business Environment and Initiatives



3. Business Summary

(2)-1 Residential Map Database (GIS Business and Publishing Business)



- Direct selling at operating bases across Japan
- Flow-type models

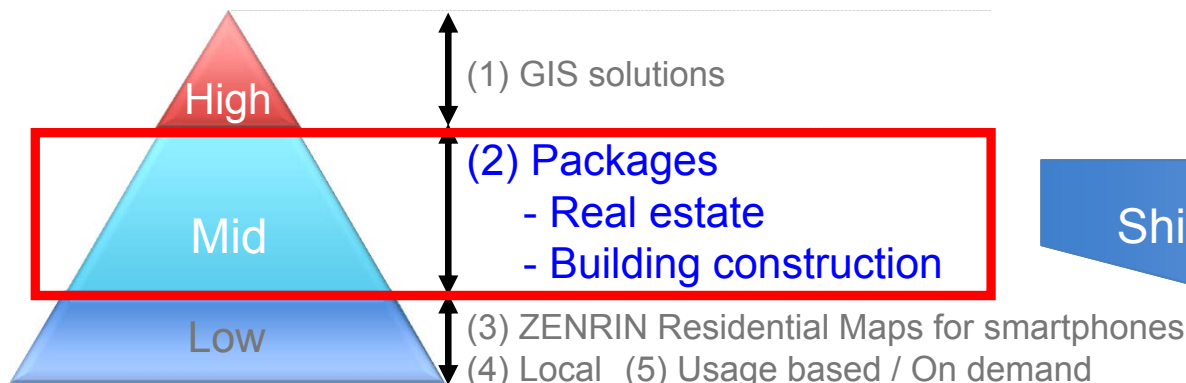
Residential map DB



- Initial development and custom-to-order system are the mainstream



Development of applications



Shift to stock-type models

ZENRIN Residential Maps printing service at 7-Eleven and Lawson

In addition to direct selling at operating bases, information on a required area can be obtained at any time and any place at convenience stores across Japan

ZENRIN Residential Maps for smartphones/tablets

Available for use on smartphones/tablets by registering as a member

Simplified GIS packages (real estate) (building construction)

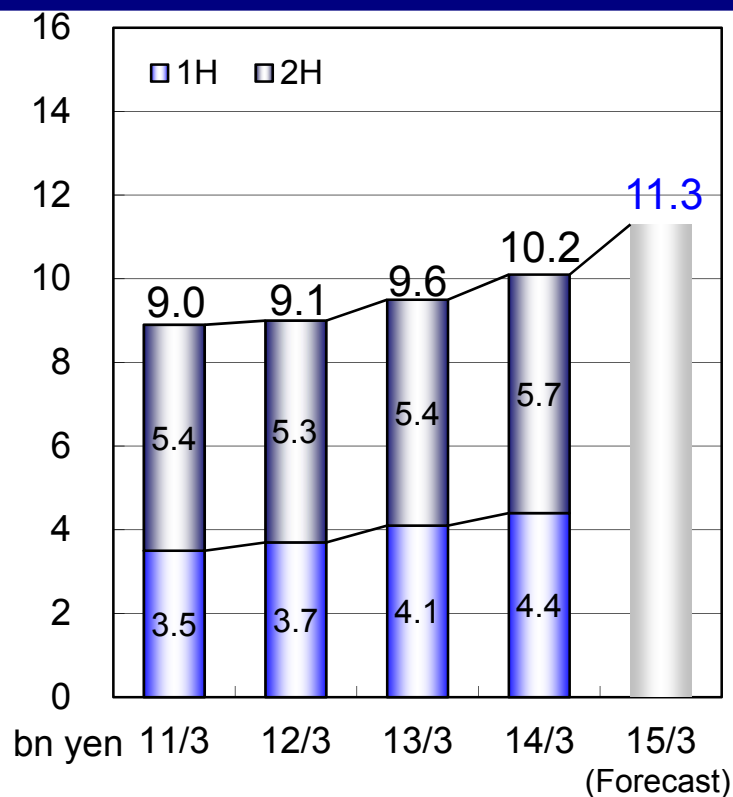
One-stop source for required information, leading to greater operational efficiency. Available for use at a flat rate and with no initial costs.

3. Business Summary

(2)-2 GIS Business

Expansion of net sales and operating income

FY2015 Net Sales Forecast
Compared to FY2014: +1.1 bn yen (+10.8%)



[Net Sales Summary]

- ◇ Fiscal 2014 Actual
 - Release of new products, and residential map database sales expansion
- ◇ Fiscal 2015 Forecast
 - Effects of release of stock-type models, release of new products, etc., resulting in +1.1 billion yen compared to fiscal 2014 to 11.3 billion yen

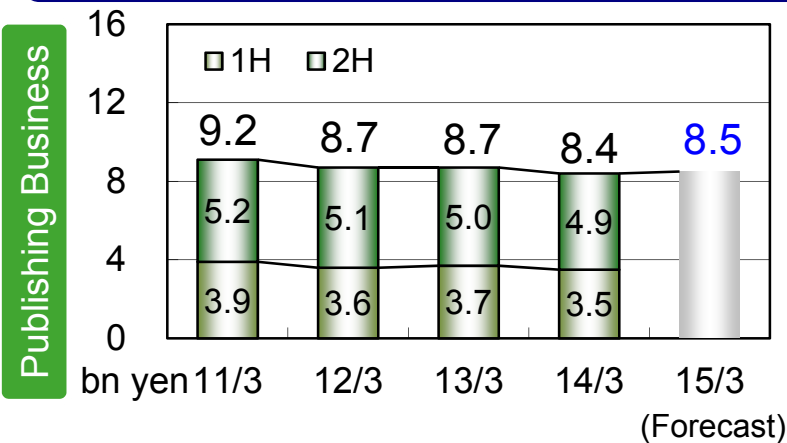
Strengthening of development of applications as top priority business

- ◆ Development of applications
 - ⇒ Promotion of stock-type models through simplified GIS package products (real estate, building construction, etc.)
 - ⇒ Sales expansion through tracking system solutions

3. Business Summary

(2)-3 Publishing Business

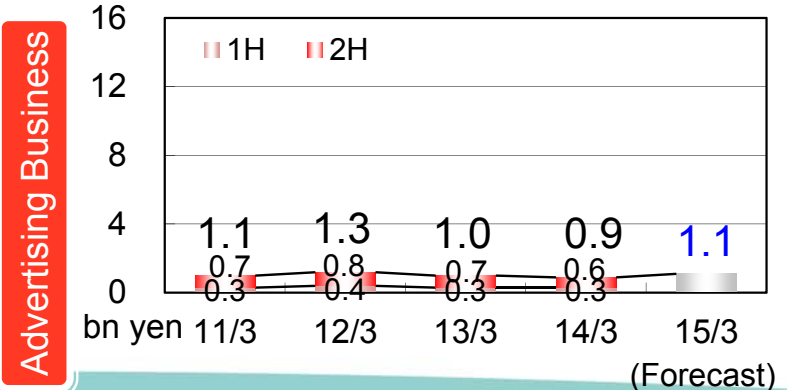
FY2015 Net Sales Forecast
Compared to FY2014: +0.0 bn yen (+0.6%)



Improvement of operating margin

- [Net Sales Summary]
- ◇ Fiscal 2014 Actual
 - Although sales of printed residential maps showed signs of bottoming out, restructuring of Advertising Business, etc. resulted in decrease
 - ◇ Fiscal 2015 Forecast
 - +0.2 billion yen compared to fiscal 2014 for both Publishing Business and Advertising Business

FY2015 Net Sales Forecast
Compared to FY2014: +0.2 bn yen (+24.1%)



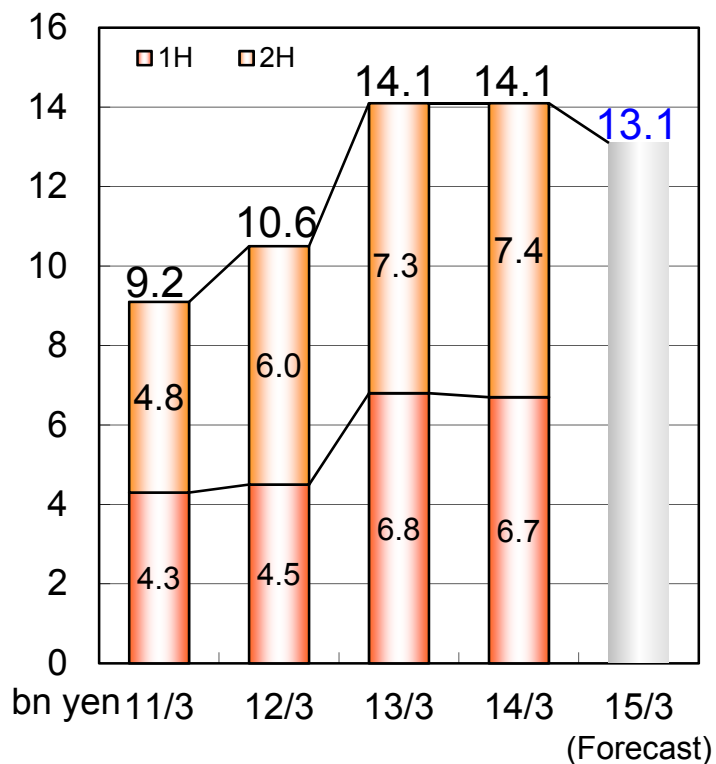
- Redevelopment of marketing strategy
- ◆ Marketing development
 - ⇒ Maintaining of sales of residential map related products
 - ⇒ Expansion of advertising products through establishment of marketing base
 - ◆ Product planning in collaboration with local governments

3. Business Summary

(2)-4 ICT Business

FY2015 Net Sales Forecast
Compared to FY2014: -1.0 bn yen (-7.5%)

Expansion of market share



- [Net Sales Summary]
- ◇ Fiscal 2014 Actual
 - Decrease in number of subscribers to fee-paying subscription service for smartphones “docomo map navi powered by its-mo NAVI”
 - ◇ Fiscal 2015 Forecast
 - Ongoing trend of decrease in fee-paying subscribers described above, resulting in -1.0 billion yen compared to fiscal 2014 to 13.1 billion yen
- Differentiation of services through brand strategy
- ◆ Enrichment of services through enrichment of contents
 - ◆ Expansion of use through strengthening of promotional campaigns

(2)-5 ICT Business

“its-mo NAVI”-based platform offerings

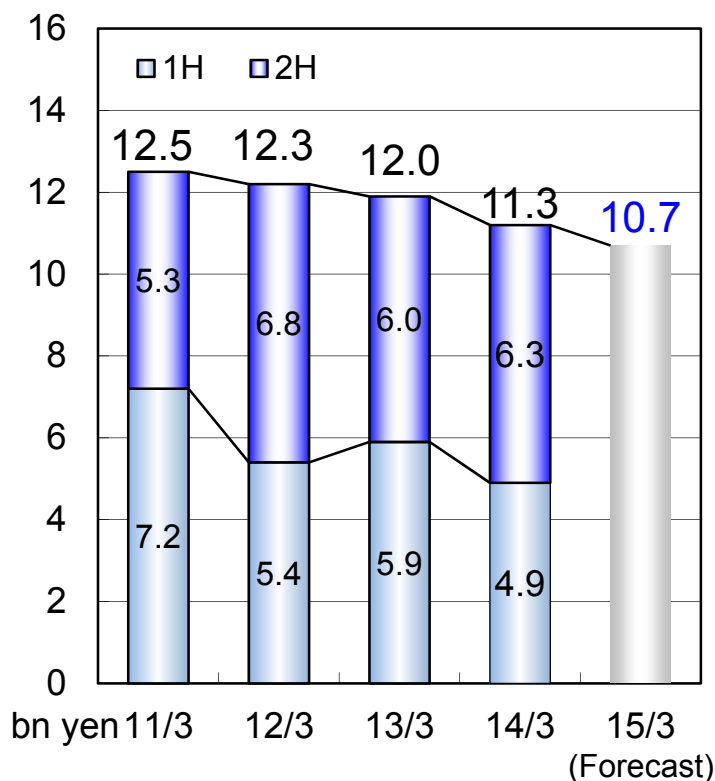


3. Business Summary

(2)-6 ITS Business

Maintaining and stabilization of operating income amount

FY2015 Net Sales Forecast
Compared to FY2014: -0.6 bn yen (-5.4%)



[Net Sales Summary]

- ◇ Fiscal 2014 Actual
 - Decreased due to decrease on rebound of end of subsidies for green vehicles and in-car navigation systems' low-priced model and other market structure changes in fiscal first half, despite increase in demand for new vehicles in Japan ahead of consumption tax hike in fiscal second half
- ◇ Fiscal 2015 Forecast
 - Given the trends of new vehicle sales in Japan, -0.6 billion yen compared to fiscal 2014 to 10.7 billion yen

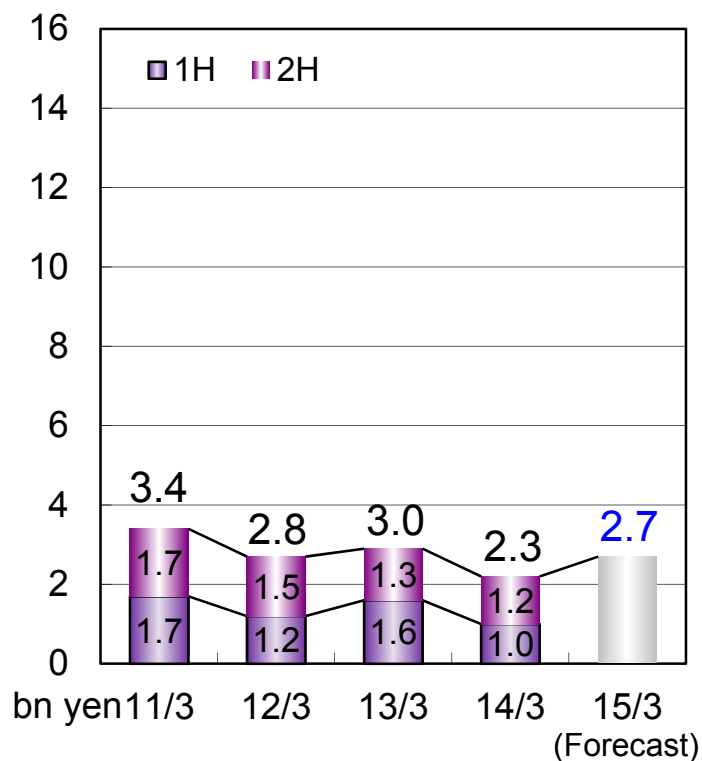
Maintaining of market share and establishment of next-generation models

- ◆ Existing market
⇒ Compatibility with entry models and smartphone navigation apps
- ◆ Next-generation systems
⇒ Development of Advanced Driver Assistance Systems (ADAS)

(2)-7 Global Business

FY2015 Net Sales Forecast
Compared to FY2014: +0.4 bn yen (+18.0%)

Creation of market in India



[Net Sales Summary]

- ◇ Fiscal 2014 Actual
 - Decrease in orders due in part to switchover of models employed for the North American market
- ◇ Fiscal 2015 Forecast
 - Expansion of business in India, resulting in +0.4 billion yen compared to fiscal 2014 to 2.7 billion yen

Launch in India and ASEAN countries

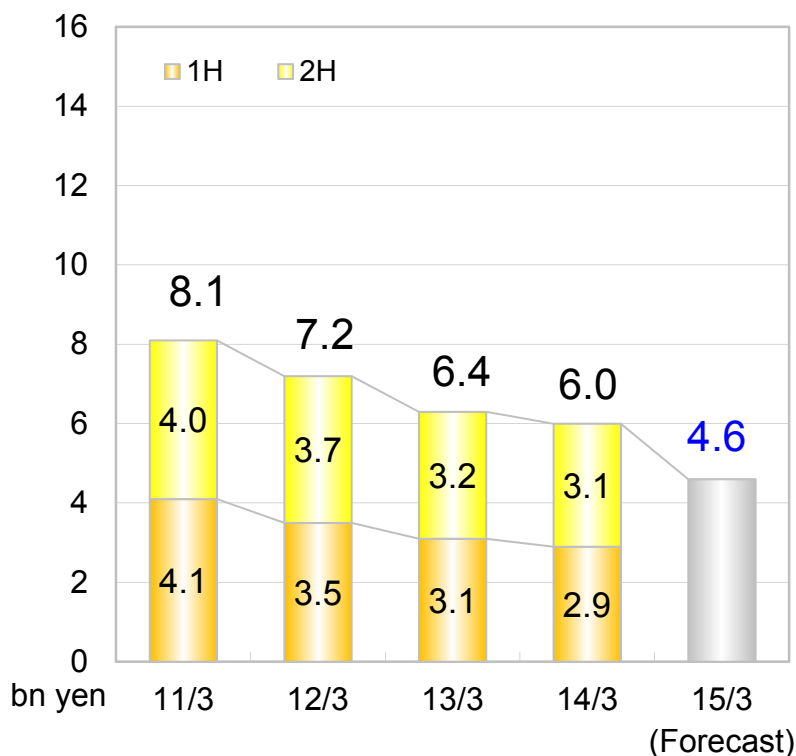
- Full-scale launch of ITS and GIS in Indian market
- Building of business base in ASEAN countries

3. Business Summary

(2)-8 Other Business

FY2015 Net Sales Forecast
Compared to FY2014: -1.4 bn yen (-23.4%)

Reexamination of Group synergies



[Business Summary]
Implementation of restructuring of consolidated subsidiaries for the purpose of reallocation of resources

- Sept. 2013: End of commissioned CAD processing operations
- March 2014: End of planning, purchasing and selling of corporate novelty products

[Sales Summary: Fiscal 2015 Forecast]
End of operations described above, resulting in -1.4 billion yen compared to fiscal 2014 to 4.6 billion yen

Overview of Other Business
Consolidates the various businesses conducted by consolidated subsidiaries (as of April 1, 2014)

- Commercial printing
- Digital signage

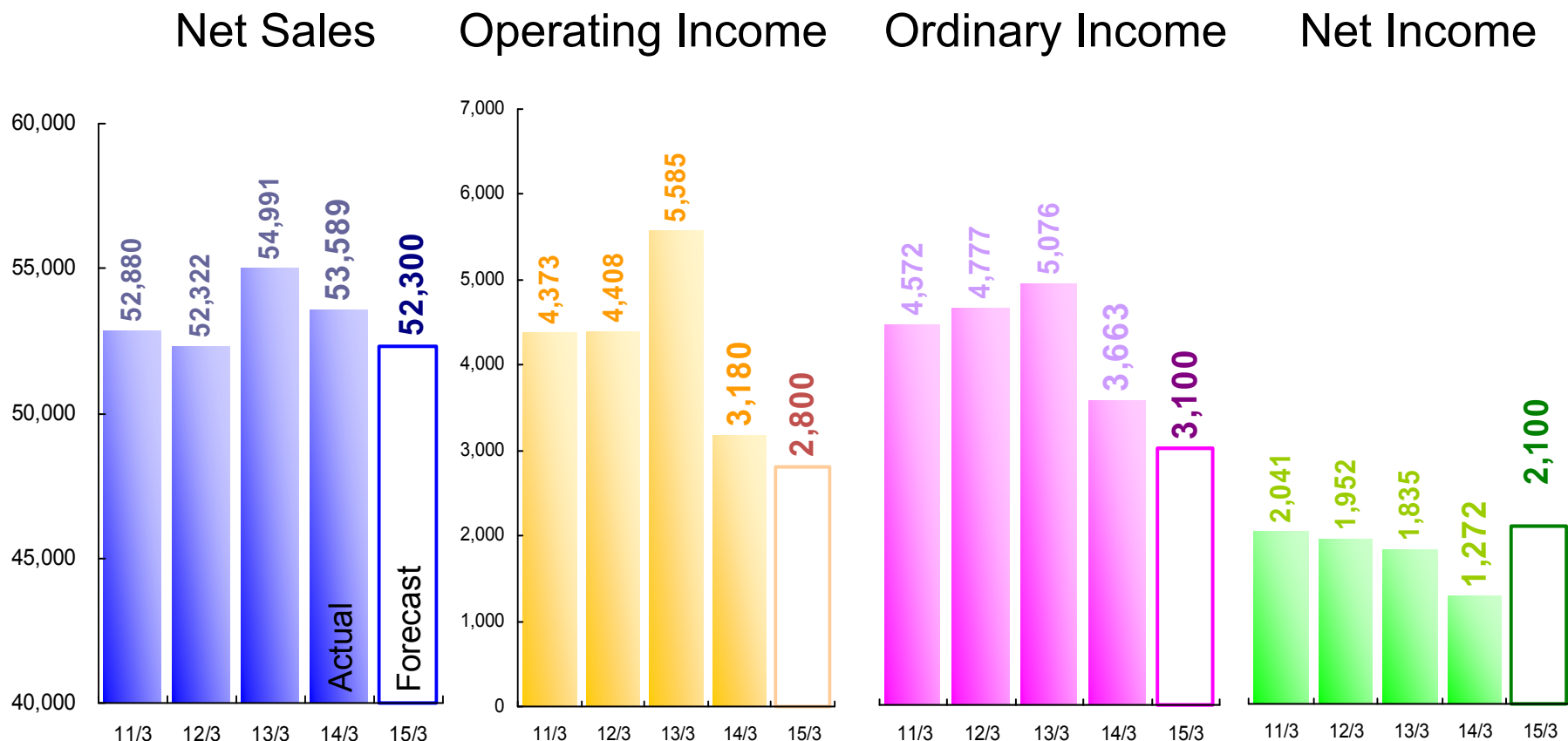
4. Appendix

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- (1) Changes in Net Sales and Income
 - (2) Amount of Capital Investment, Depreciation and R&D Costs
 - (3) Changes in Composition of Net Sales by Quarter
 - (Reference) Image of Number of Fee-Paying Subscribers to its-mo NAVI
-

4. Appendix

(1) Changes in Net Sales and Income

(Amounts in million yen)



Decrease in sales for 2 consecutive periods

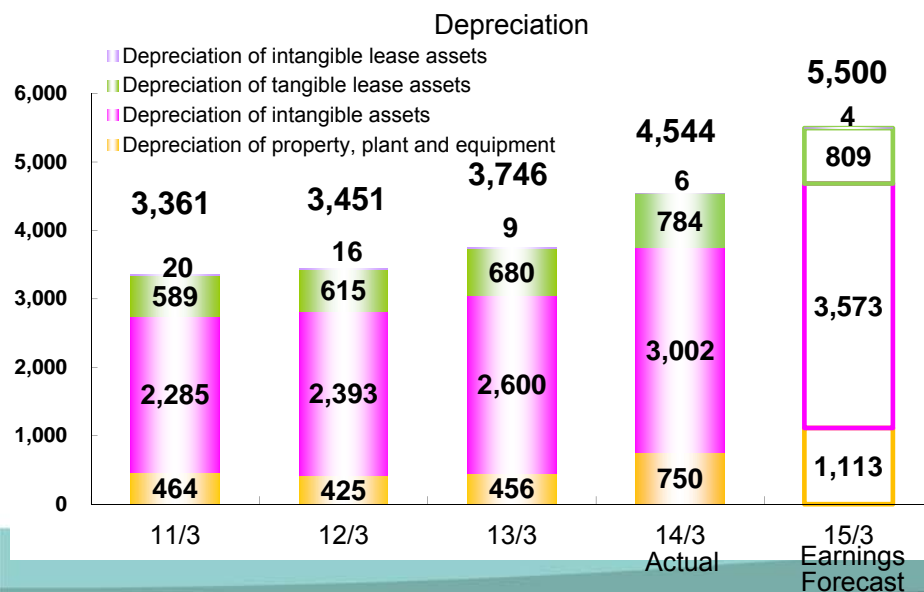
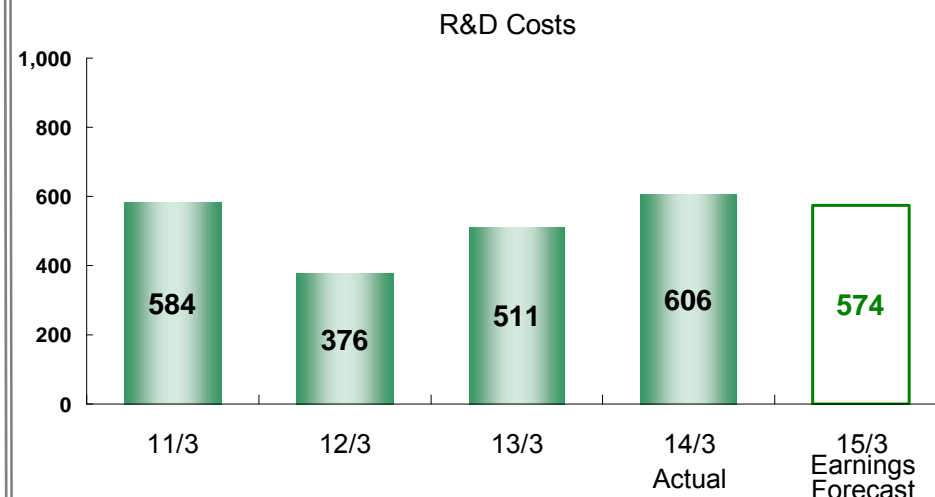
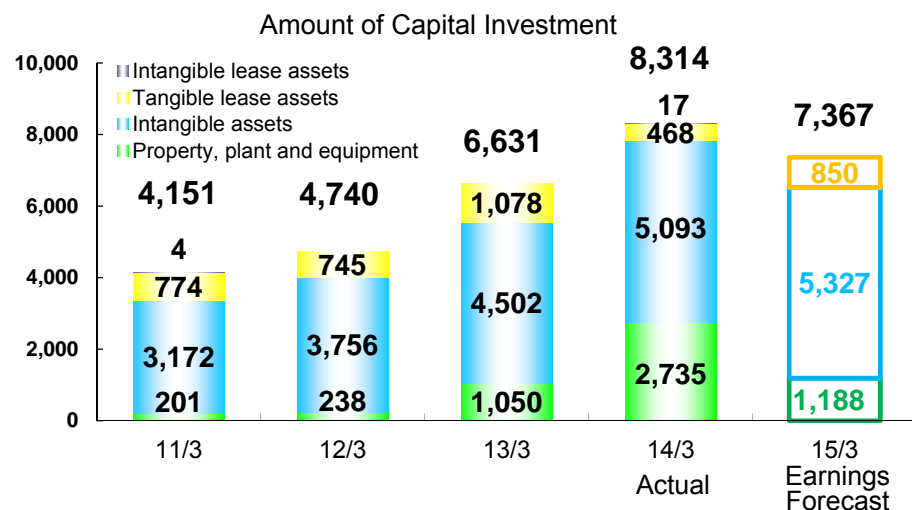
Decrease in income for 2 consecutive periods

Decrease in income for 2 consecutive periods

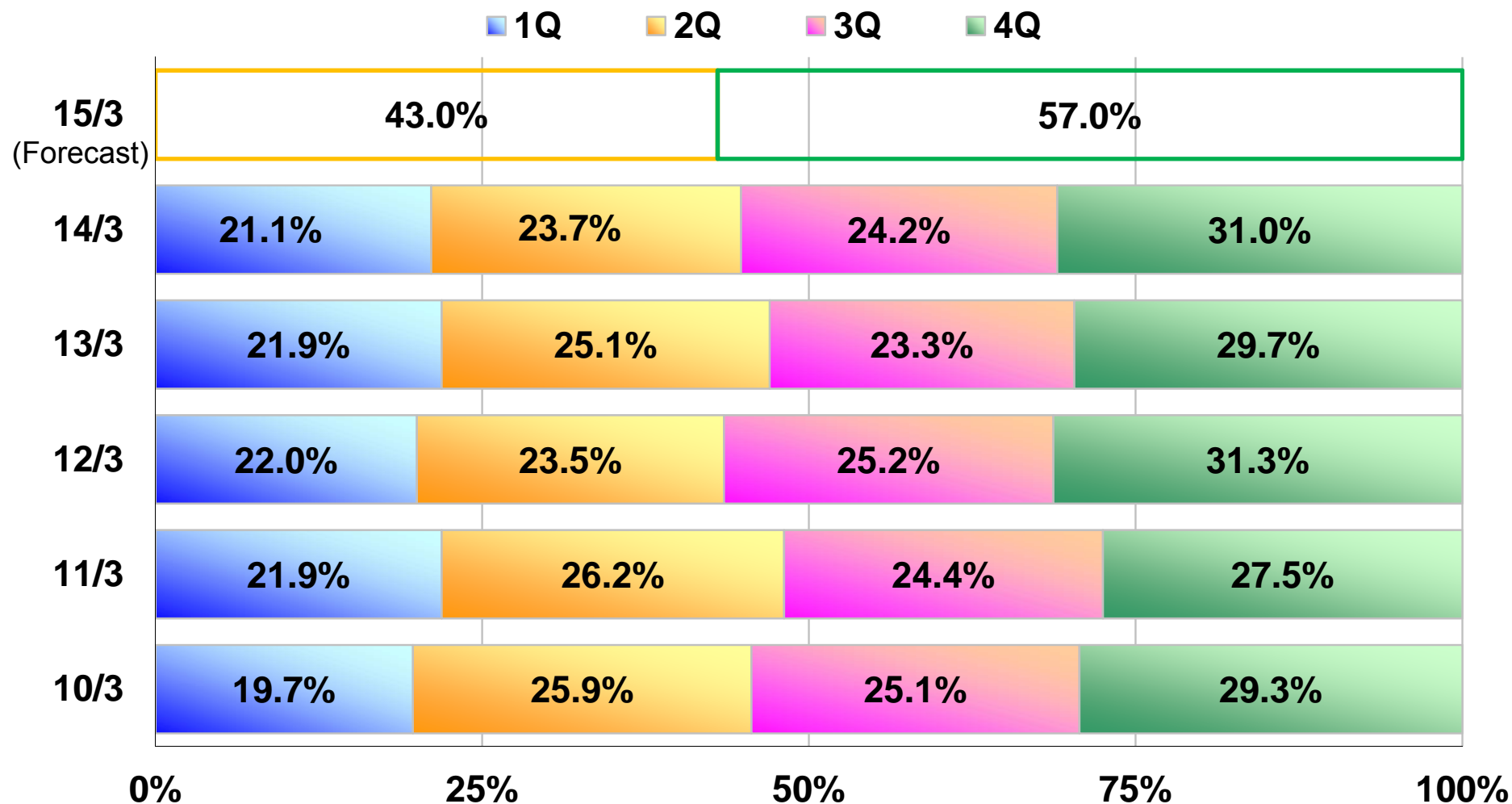
Increase in income for first time in 4 periods

4. Appendix

(2) Amount of Capital Investment, Depreciation and R&D Costs (Full Year) (Amounts in million yen)

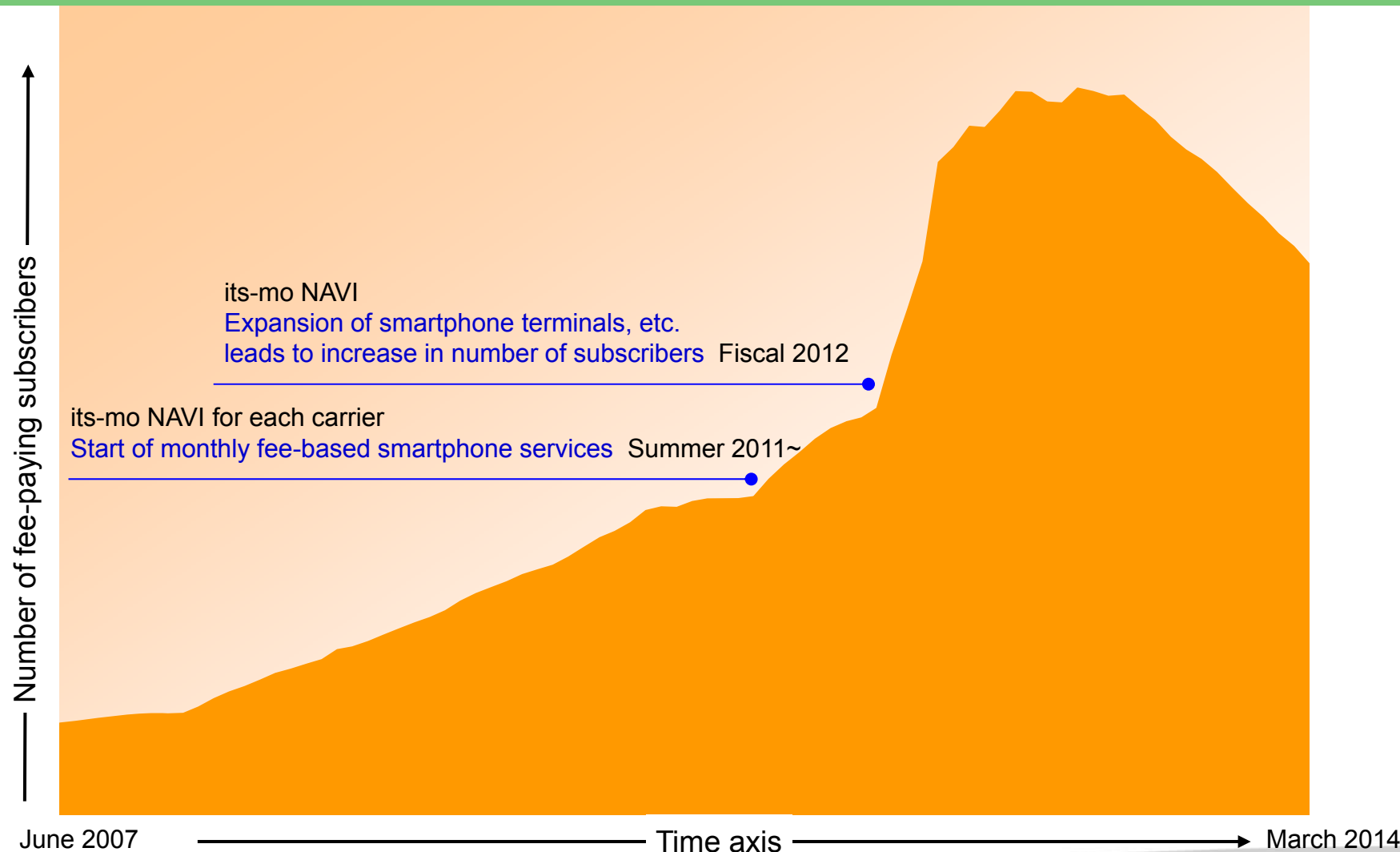


(3) Changes in Composition of Net Sales by Quarter



4. Appendix

(Reference) Image of Number of Fee-Paying Subscribers to its-mo NAVI



ZENRIN

Maps to the Future

ZENRIN Co., Ltd. <http://www.zenrin.co.jp>
Corporate Management Division, Management Control & IR Department
IR contact email: zenrin-ir@zenrin.co.jp