

ZENRIN

Securities Code: 9474

Briefing on Results for First 2 Quarters of Fiscal 2014 (Year Ending March 31, 2014)

November 14, 2013

ZENRIN Co., Ltd.

President and CEO

Zenshi Takayama

Executive Vice President

Junya Amita

Executive Officer, and
Head of Corporate Management Division

Masami Matsuo

Maps to the Future

Briefing on Results for First 2Qs of FY2014

1. Overview of Results for First 2 Quarters of Fiscal 2014
2. Earnings Forecast for Fiscal 2014
3. Income Distribution
4. Status of Progress of ZGP2015

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 of the items of comparison is negative are shown as “-.”

1. Overview of Results for First 2 Quarters of Fiscal 2014

- 1) Overview of Results
- 2) Changes in Net Sales and Income
- 3) Causes for Change in Operating Income
- 4) Segment Information
- 5) Changes in Cash Flows

Appendix (1) Overview of Results for First 2 Quarters of Fiscal 2014

- Amount of Capital Investment, Depreciation and R&D Costs
- Changes in Composition of Net Sales by Quarter

1. Overview of Results for First 2 Quarters of Fiscal 2014

1) Overview of Results

◆Key Points of Results for First 2 Quarters of Fiscal 2014

Compared to First 2 Quarters of Fiscal 2013 and Earnings Forecast <decrease in sales and decrease in income>

- Net sales decreased due to ITS Business being affected by decrease on the rebound of the end of subsidies for green vehicles and shift to light vehicles in new vehicle sales in Japan, change in composition of the in-car navigation system market to low-priced models and other factors.
- In terms of income or loss, decrease in sales resulted in decrease in each income. Prior expenses associated with database maintenance, smartphone services, etc. increased compared to first 2 quarters of fiscal 2013.

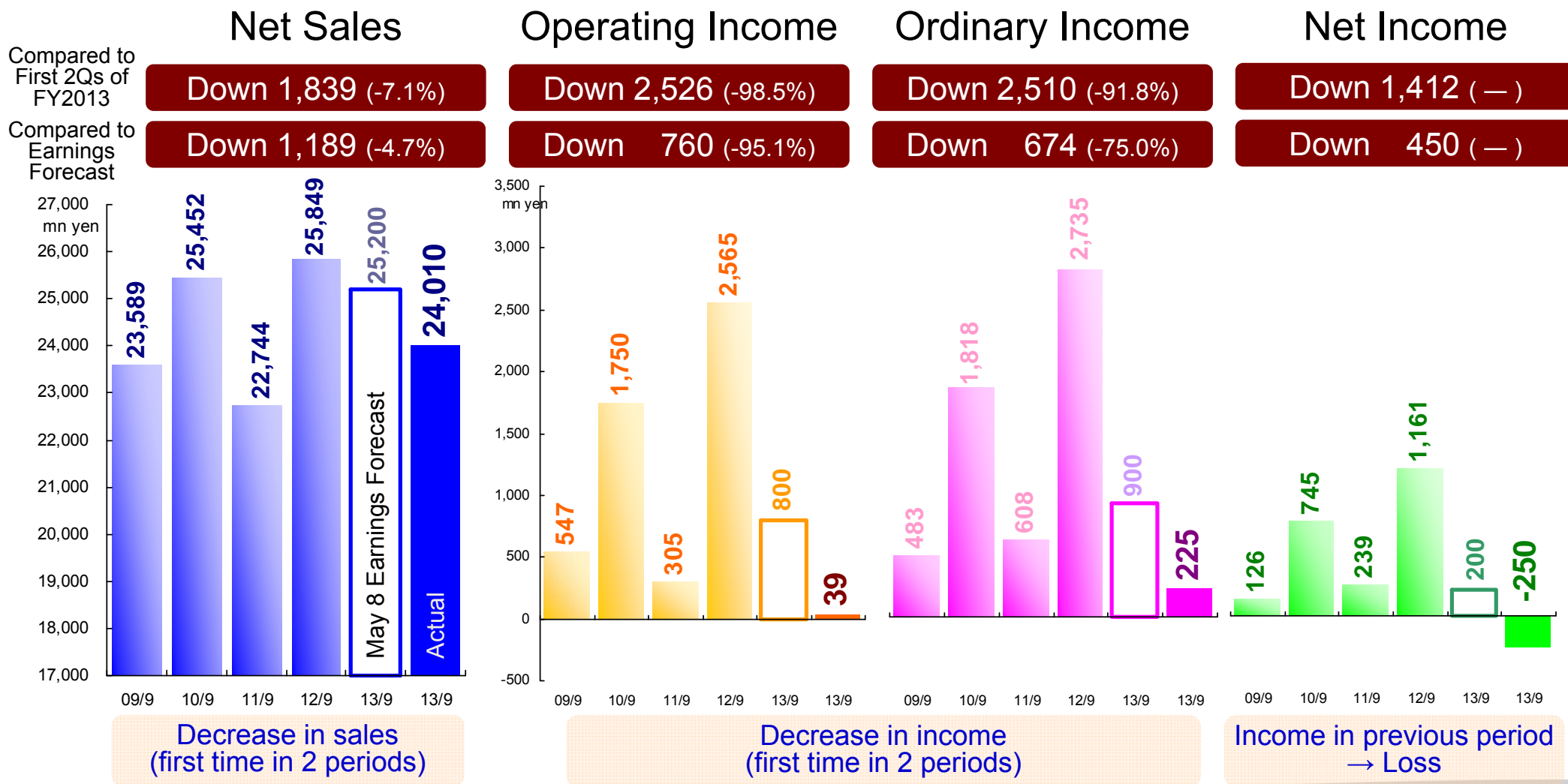
Unit: millions of yen

	First 2Qs of FY2013 Actual	First 2Qs of FY2014 Forecast (May 8)	First 2Qs of FY2014 Actual	Compared to First 2Qs of FY2013		Compared to Forecast (May 8)	
					% of Change		% of Change
Net Sales	25,849	25,200	24,010	-1,839	-7.1	-1,189	-4.7
Operating Expenses	23,283	24,400	23,970	686	2.9	-429	-1.8
Operating Income	2,565	800	39	-2,526	-98.5	-760	-95.1
Operating Margin	9.9%	3.2%	0.2%	-9.7pt	—	-3.0pt	—
Ordinary Income	2,735	900	225	-2,510	-91.8	-674	-75.0
Ordinary Margin	10.6%	3.6%	0.9%	-9.7pt	—	-2.7pt	—
Net Income	1,161	200	-250	-1,412	—	-450	—

*No substantial change from the revised figures announced on October 22, 2013.

1. Overview of Results for First 2 Quarters of Fiscal 2014

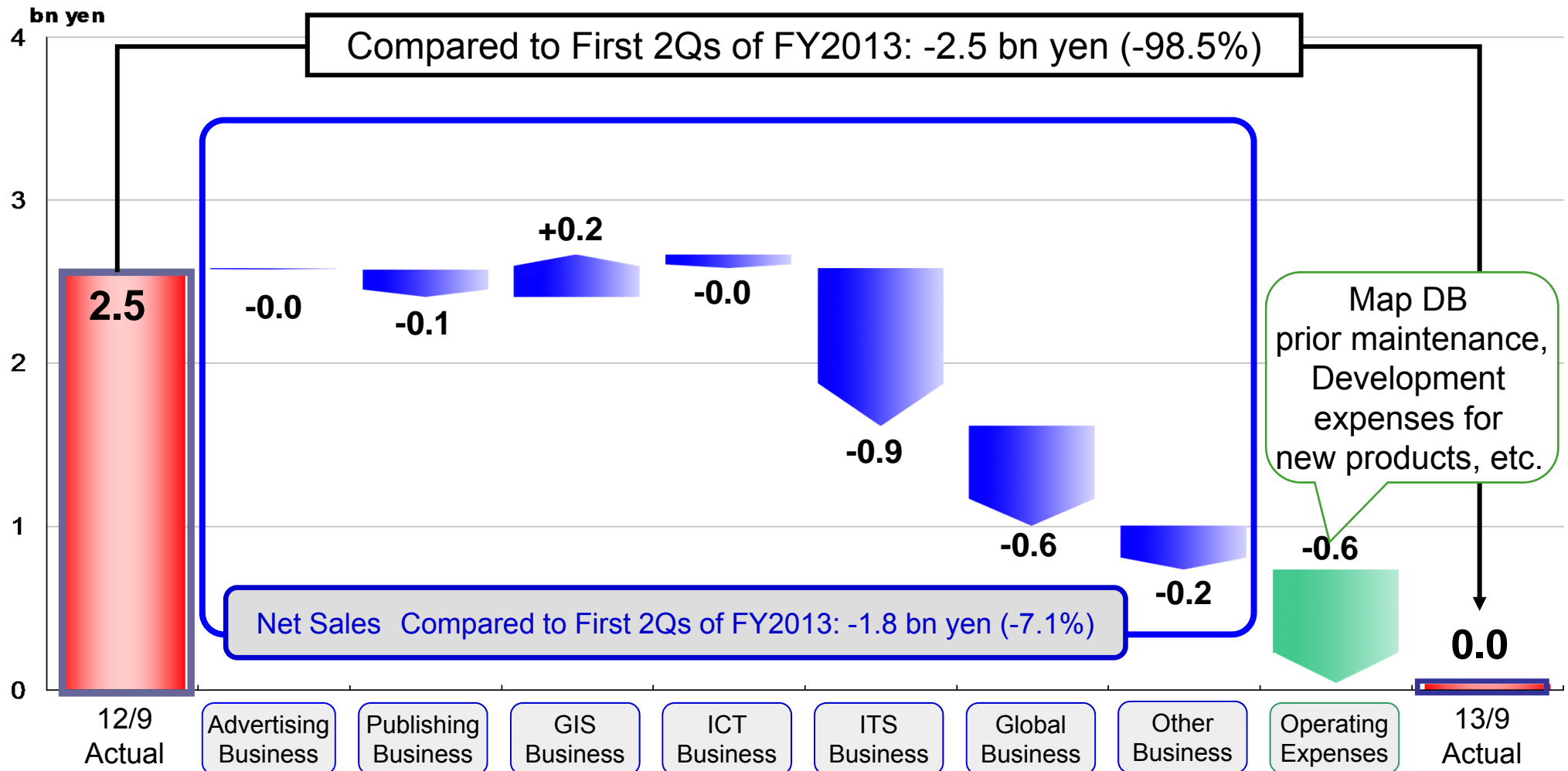
2) Changes in Net Sales and Income



*No substantial change from the revised figures announced on October 22, 2013.

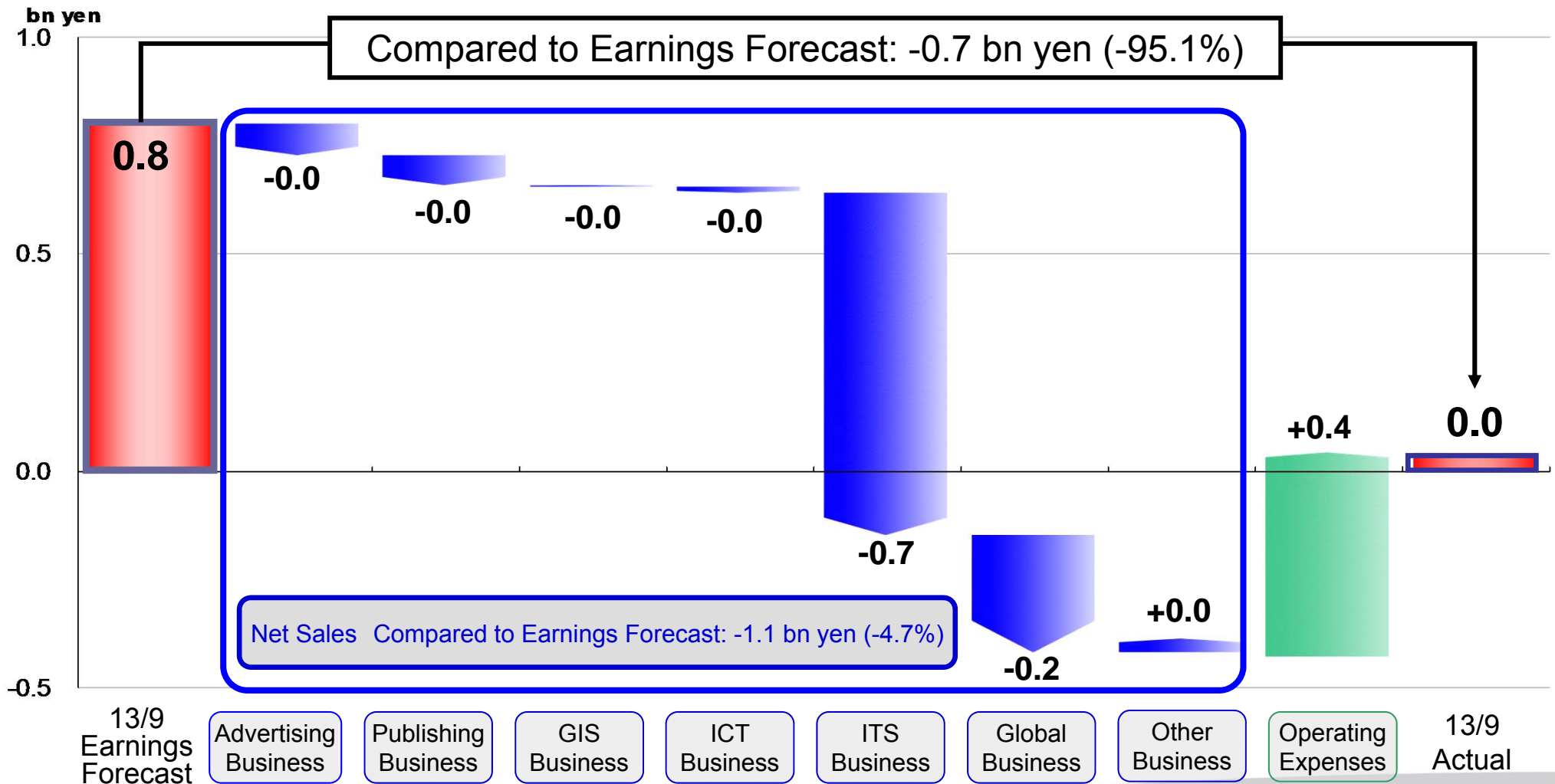
1. Overview of Results for First 2 Quarters of Fiscal 2014

3)-1 Causes for Change in Operating Income (Compared to First 2 Quarters of Fiscal 2013)



1. Overview of Results for First 2 Quarters of Fiscal 2014

3)-2 Causes for Change in Operating Income (Compared to Earnings Forecast)



1. Overview of Results for First 2 Quarters of Fiscal 2014

4)-1 Segment Information

Sales
Composition

85.2%

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



7.9%

2. General Printing Segment

Main Items: Commercial printing



6.9%

3. Other

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



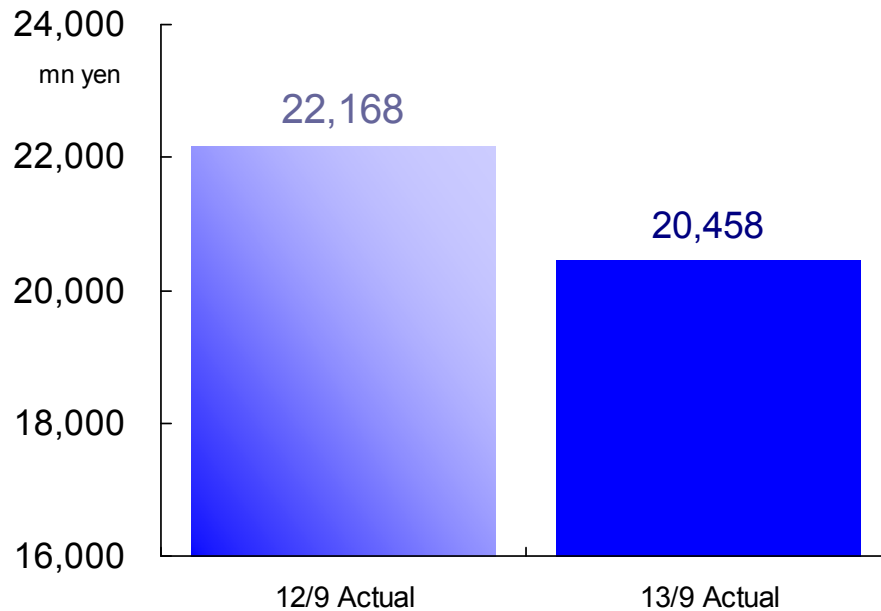
1. Overview of Results for First 2 Quarters of Fiscal 2014

4)-2 Map Database Segment

Compared to
First 2Qs of
FY2013

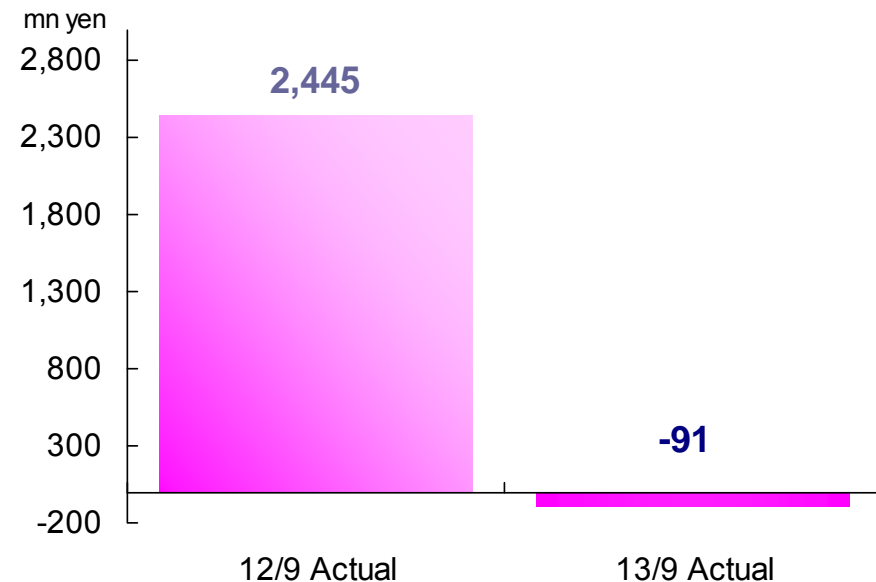
Net Sales

Down 1,709 (-7.7%)



Operating Income

Downturn of 2,537 (—)

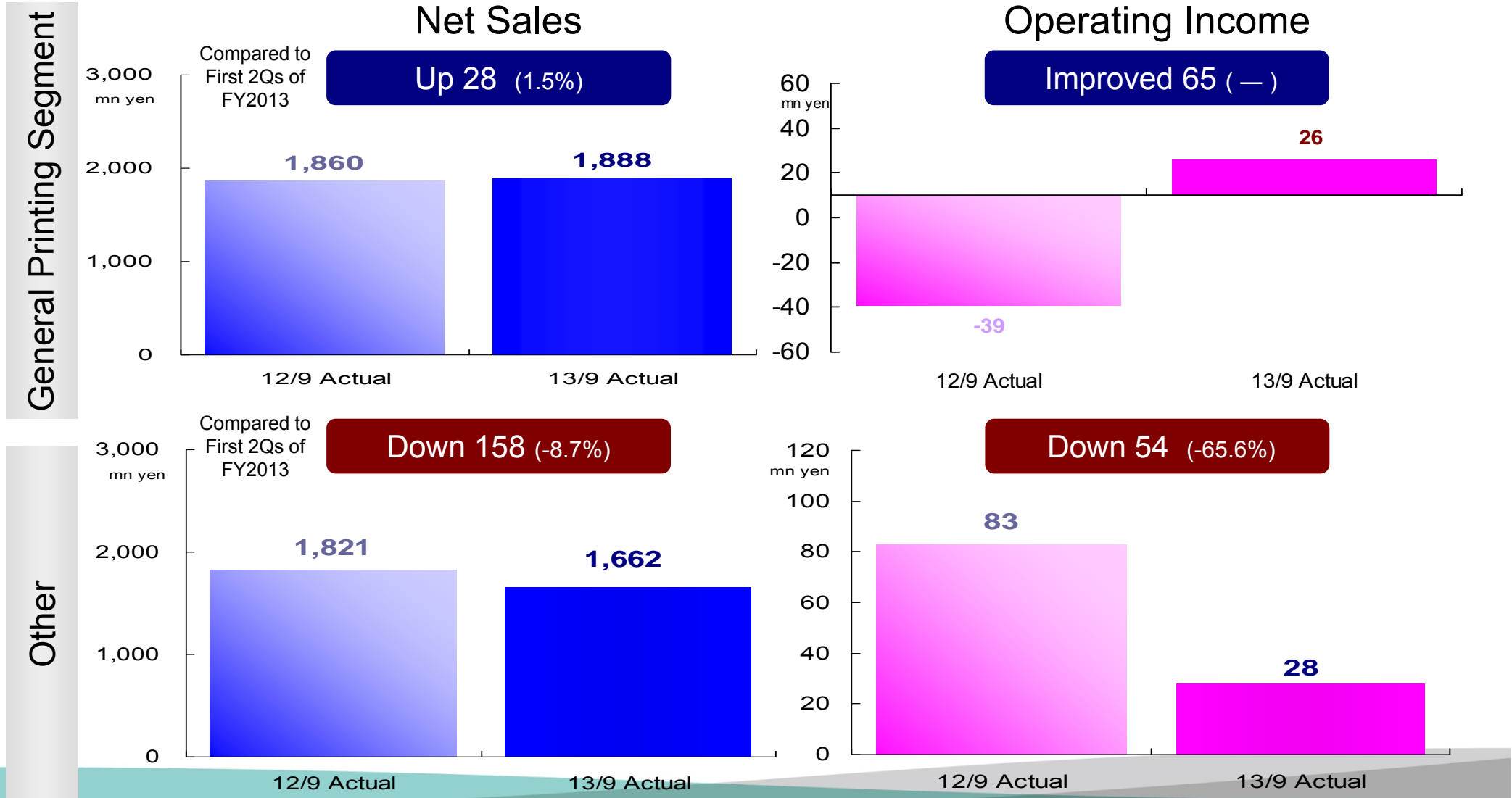


Compared to
First 2Qs of
FY2013

- Robust sales of GIS Business utilizing residential map databases
- Decrease on the rebound of the end of subsidies for green vehicles and shift to light vehicles in new vehicle sales in Japan, change in composition of in-car navigation systems to low-priced models, switchover of models employed for the North American market and other factors resulted in decrease in ITS Business and Global Business sales

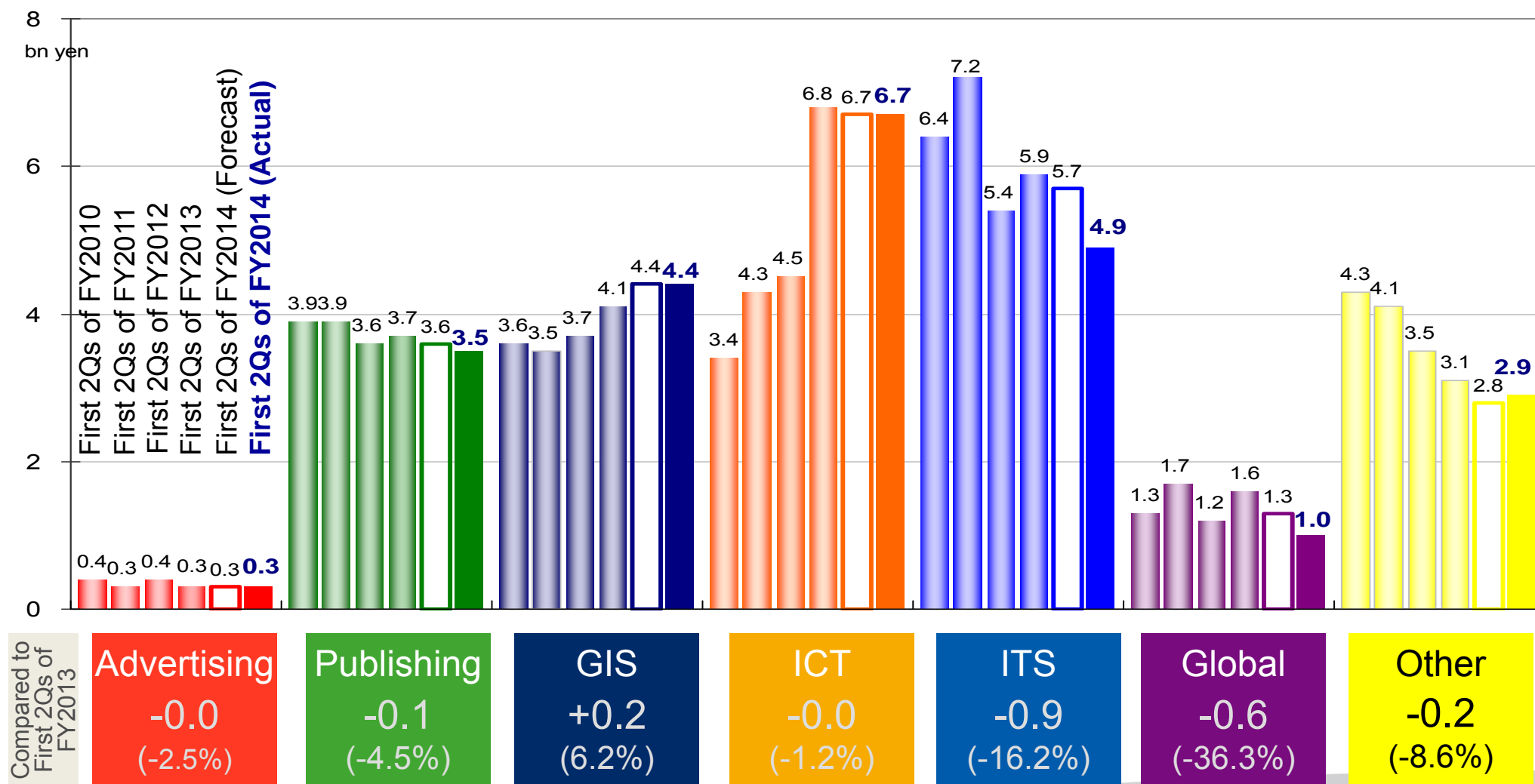
1. Overview of Results for First 2 Quarters of Fiscal 2014

4)-3 General Printing Segment, and Other



1. Overview of Results for First 2 Quarters of Fiscal 2014

4)-4 Net Sales by Business under Medium-Term Business Plan ZGP2015



1. Overview of Results for First 2 Quarters of Fiscal 2014

5) Changes in Cash Flows

Operating Cash Flows

Inflows down 3,439

Investing Cash Flows

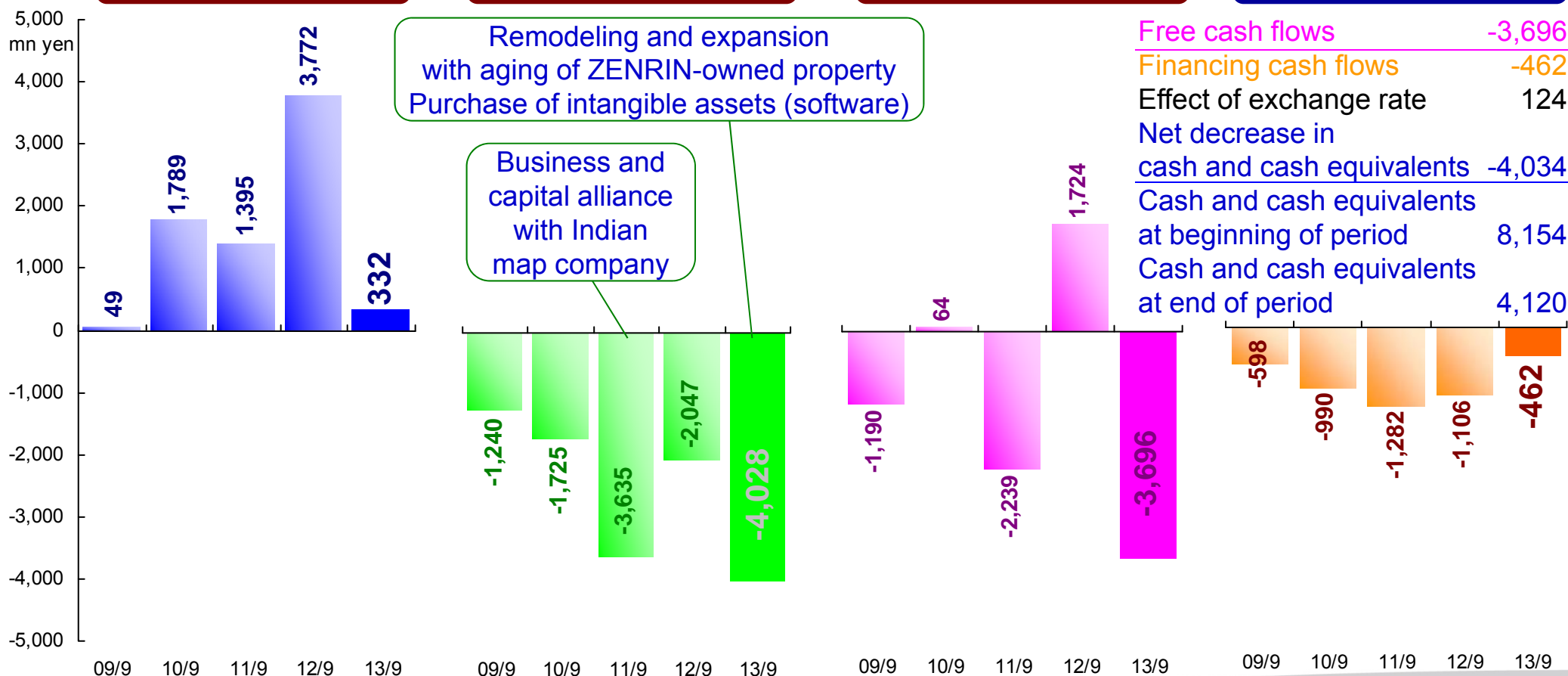
Outflows up 1,981

Free Cash Flows

Outflows up 5,421

Financing Cash Flows

Outflows down 643



2. Earnings Forecast for Fiscal 2014

1) Overview of Earnings Forecast

Appendix (2) Overview of Earnings Forecast for Fiscal 2014

- Changes in Net Sales and Income
- Causes for Change in Operating Income (Compared to Fiscal 2013)
- Segment Information
- Amount of Capital Investment, Depreciation and R&D Costs

2. Earnings Forecast for Fiscal 2014

1) Overview of Earnings Forecast (Fiscal Year)

◆ Earnings Forecast for Fiscal 2014

The earnings forecast for fiscal 2014 has not changed from that announced on May 8, 2013 at this point in time.

A sense of uncertainty remains over ITS business sales and other current business environments, but efforts will be made to improve productivity and reduce costs as well as steadily carry out maintenance of the 4D Geospatial Information DB and other prior developments that are indispensable for future business expansion.

(At time of May 8 announcement) Compared to Fiscal 2013 <increase in sales and decrease in income>

- Increase in net sales expected from robust performance of ICT Business and offering of new products in GIS Business
- Increase in operating expenses because expenses for maintenance of 4D Geospatial Information DB and new map DB and expenses for development of new products will precede

Unit: millions of yen

	FY2013 Actual	FY2014 Forecast	Compared to FY2013	% of Change
Net Sales	54,991	56,000	1,008	1.8
Operating Expenses	49,406	50,800	1,393	2.8
Operating Income	5,585	5,200	-385	-6.9
Operating Margin	10.2%	9.3%	-0.9pt	—
Ordinary Income	5,076	5,500	423	8.3
Ordinary Margin	9.2%	9.8%	0.6pt	—
Net Income	1,835	2,500	664	36.2

*The forecast is the figures announced on May 8, 2013 left unchanged.

3. Income Distribution

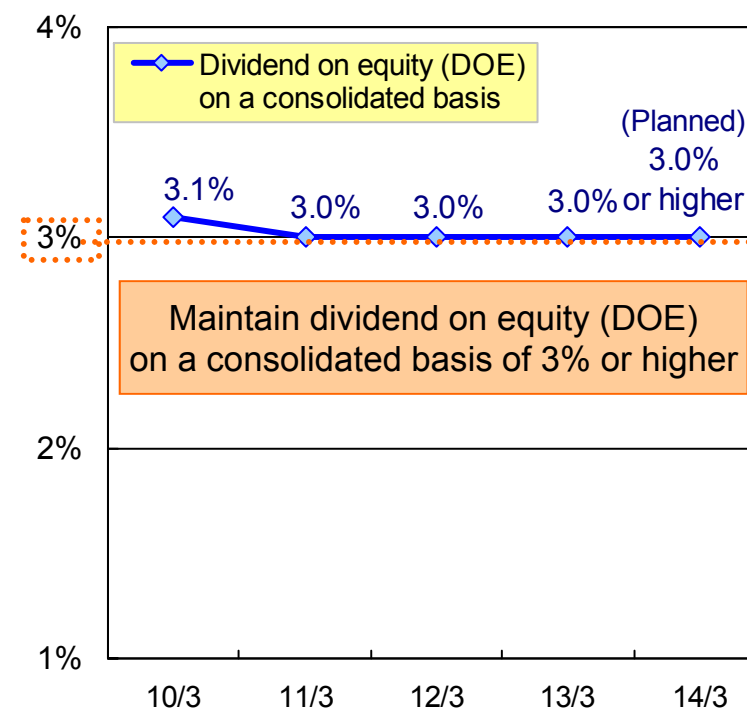
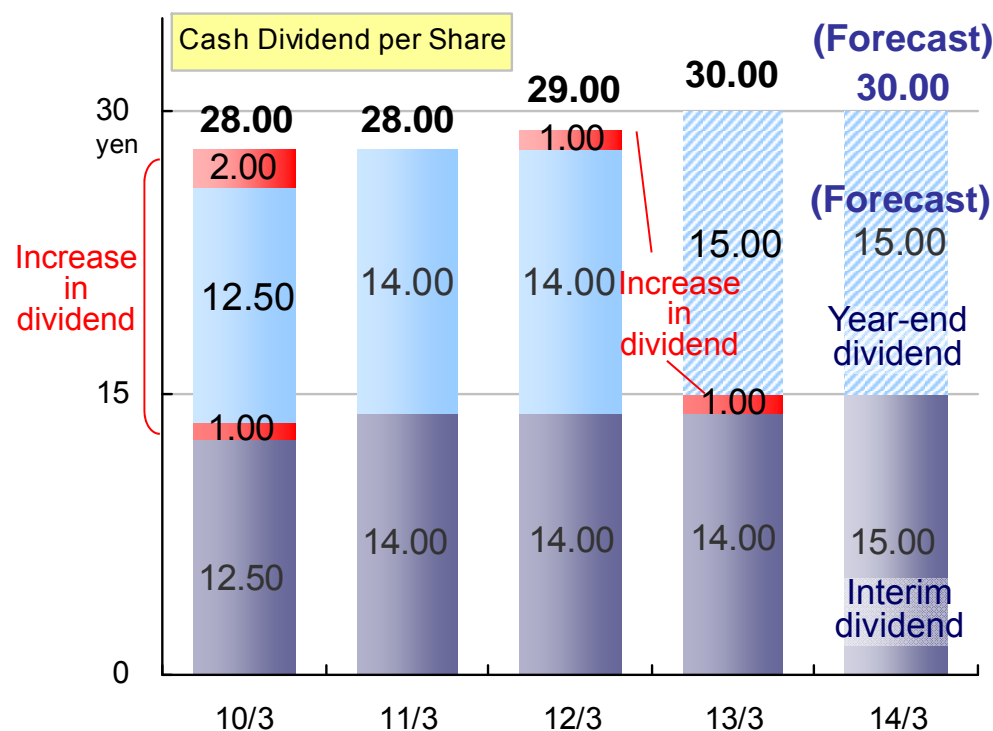
- 1) Dividends
- 2) Purchase of Treasury Stock

3. Income Distribution

1) 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

Interim dividend: 15 yen (as initially planned)
Annual dividend: 30 yen (forecast)



3. Income Distribution

2) Purchase of Treasury Stock

Press release on purchase of treasury stock (Oct. 31, 2013 disclosure) (excerpt)

Established share repurchase program by resolution at meeting of board of directors held on Oct. 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: | Nov. 1, 2013 (Fri.) to Mar. 31, 2014 (Mon.) |

Implementation of purchase of treasury stock	Sept. 30, 2013	After purchase of 1,000,000 shares
Number of shares issued and outstanding (including treasury stock)	38,200,910 shares	38,200,910 shares
Number of shares to be purchased from Nov. 2013	—	1,000,000 shares
Number of shares of treasury stock	1,435,293 shares	2,435,293 shares
Shareholding	3.8%	6.4%

* ZENRIN introduced the “Trust-Type Employee Shareholding Incentive Plan” in May 2010.
The number of shares of treasury stock at the end of September 2013 above does not include ZENRIN shares held by The Nomura Trust and Banking Co., Ltd. (ZENRIN Employee Shareholding Association Dedicated Trust Account).

4. Status of Progress of ZGP2015

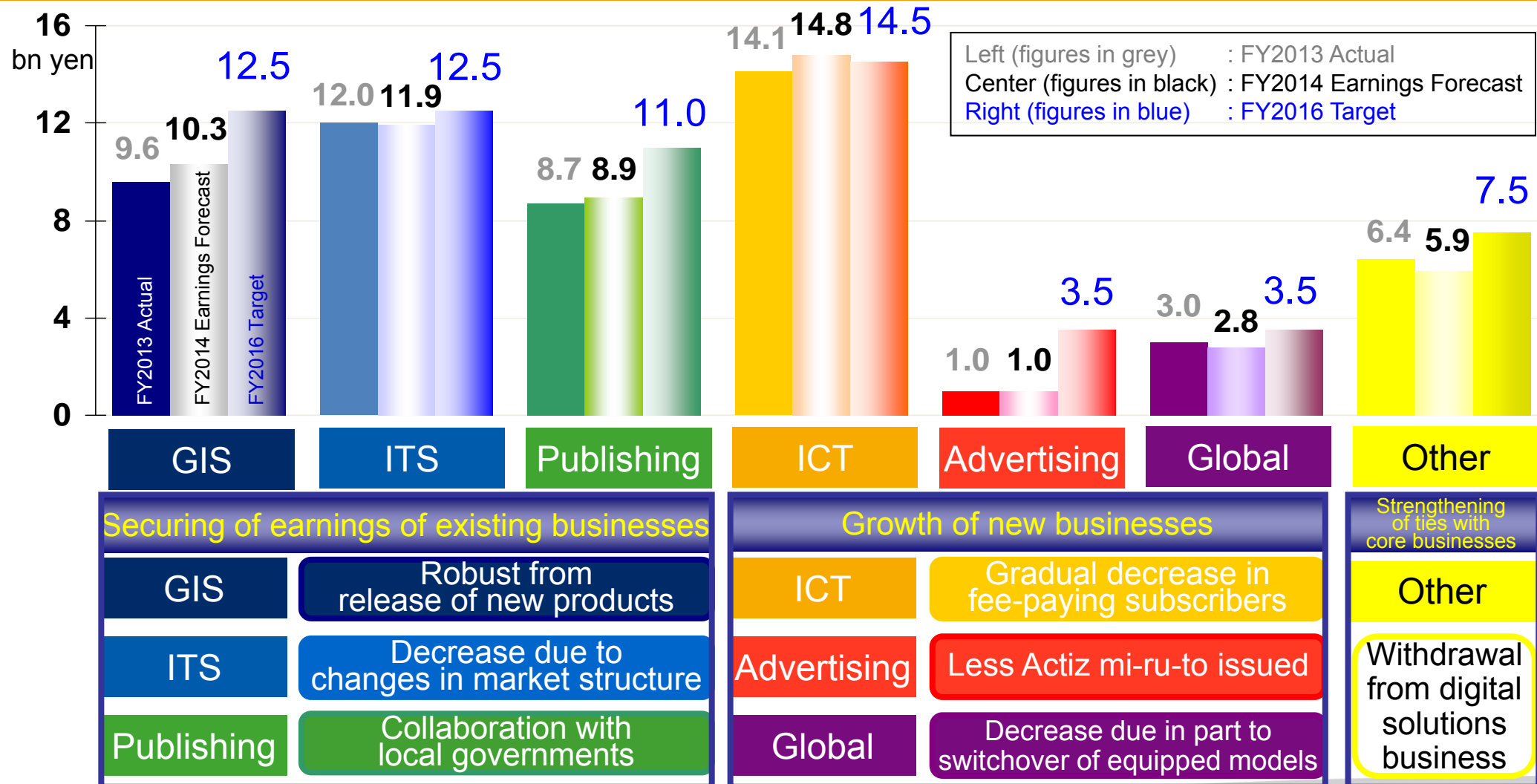
- 1) Premises and Present State of ZGP2015
- 2) Business Topics
- 3) 4D Geospatial Information DB Building
- 4) Viewmap DB Maintenance

Appendix (3) Progress of ZGP2015

- Basic Structure and Numerical Targets
- Business Strategy and Status of Progress (By Business Segment)
- 4D Geospatial Information DB and Viewmap DB Prior Investments

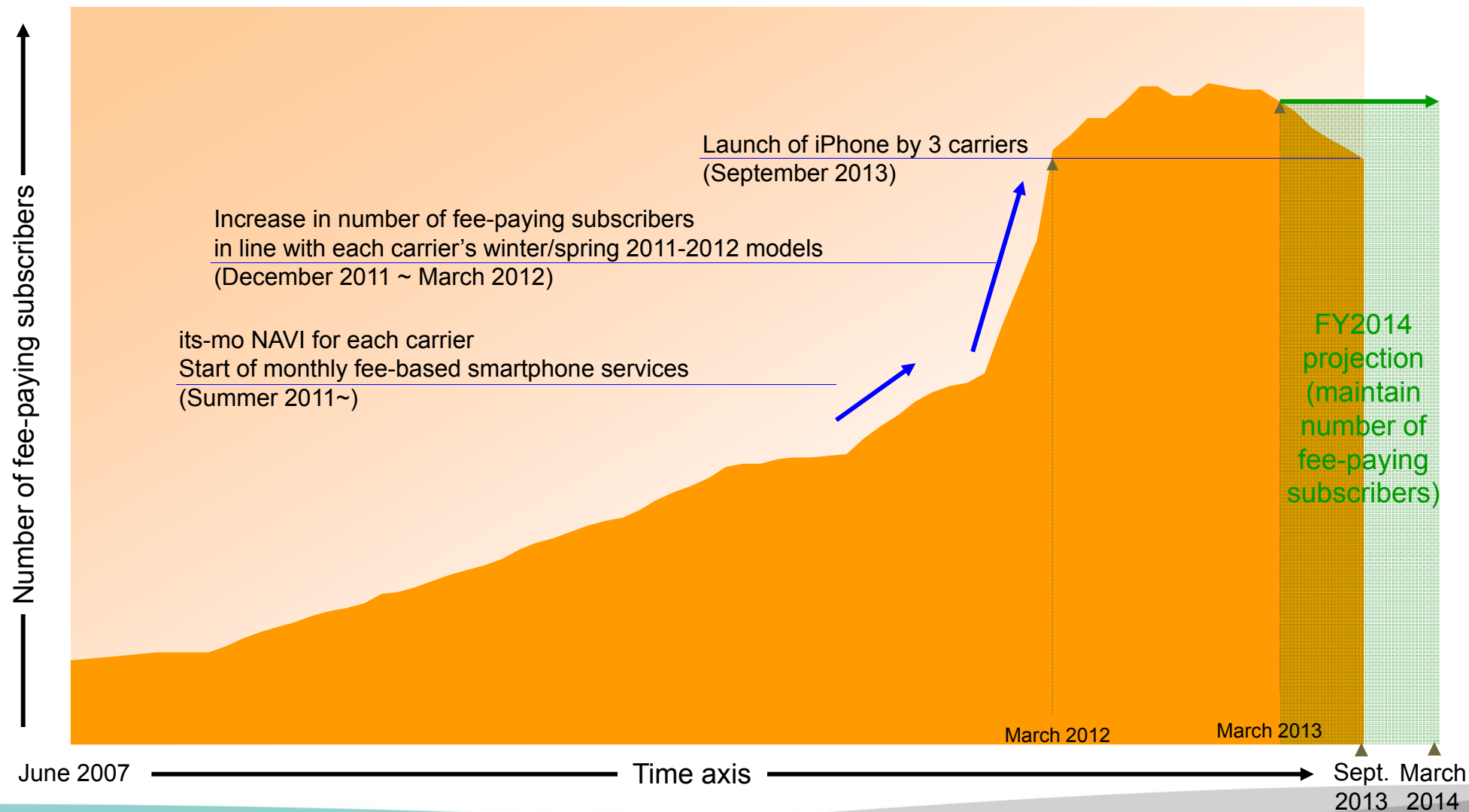
4. Status of Progress of ZGP2015

1) Premises and Present State of ZGP2015



4. Status of Progress of ZGP2015

2)-1 (ICT Business) Image of Number of Fee-Paying Subscribers to its-mo NAVI



2)-2 (Publishing Business) Collaboration with Local Governments

Agreement on establishing collaborative ties in case of disaster

Use applications to date




Agreement on collaboration with local governments



ZENRIN's roles / Utilization of information

Use at ordinary times



Facility management
Public works
Taxation operations
Asset management
Counter services
...etc.

Initiatives of local governments
Disaster prevention/mitigation

Emergency drills
(study of evacuation routes, etc.)

Immediate map use
when disaster strikes

Accumulation of information
required in the event of disaster



[Agreement with local governments]

- Yokohama City, Kanagawa Prefecture (signed 2013/9)
- Kumano City, Mie Prefecture (signed 2013/9)
- Inagi City, Tokyo (signed 2013/10)

Lending of maps

- Printed residential maps
- Residential map distribution services
- Map reproduction permission
- Wide area maps

Exchange of information required for disaster prevention / in case of disaster

- Creation of maps useful in disaster response
- Exchange of map demands, use methods and other information obtained from emergency drills, etc.


Proposal of ongoing map use
Proposal of new map use

In an emergency
(earthquake, heavy rain, etc.)

[Initial response]

Safety and damage status confirmation

Relief operations

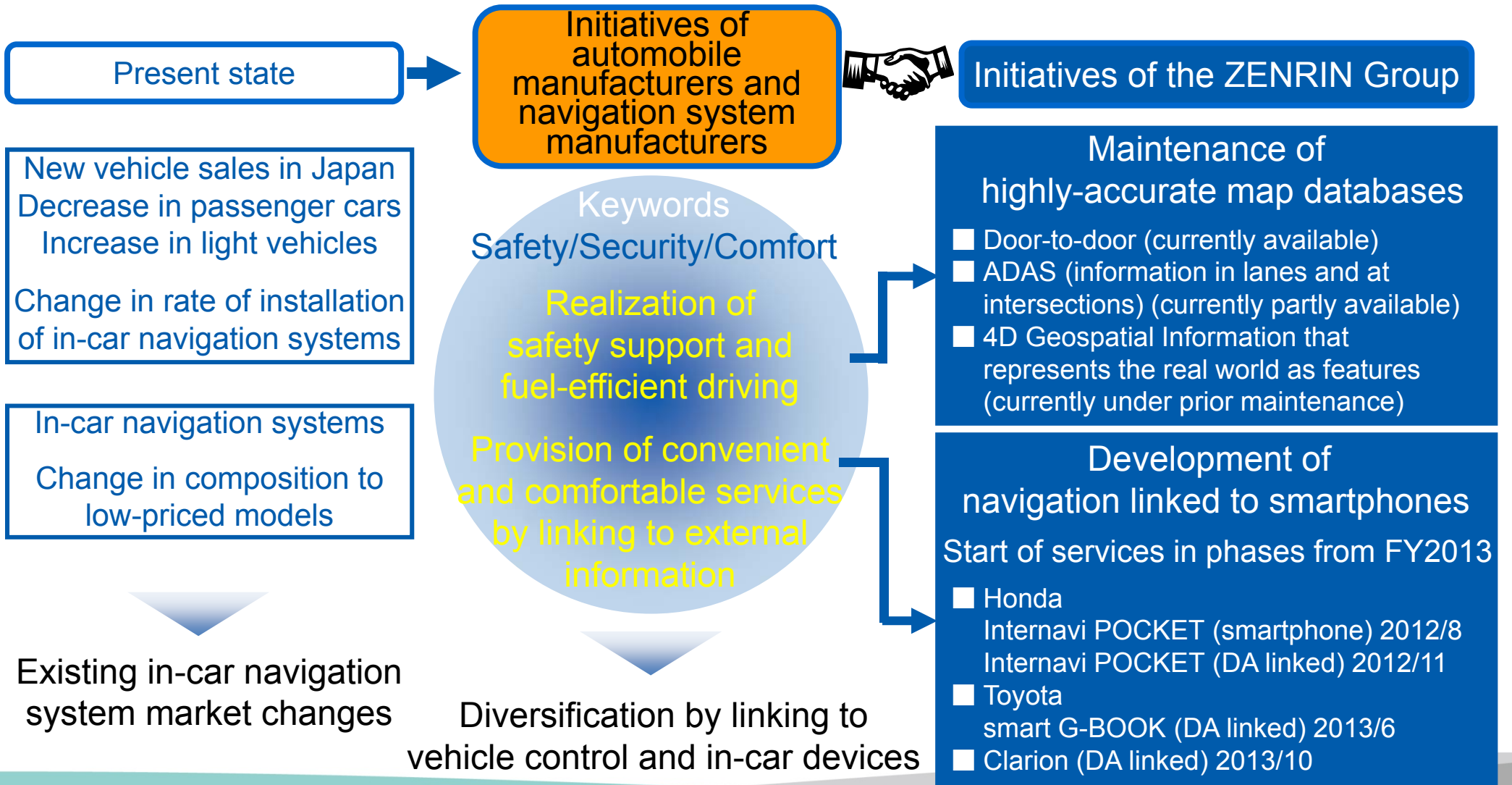


[Restoration and reconstruction]

Urban planning
Construction site check

4. Status of Progress of ZGP2015

2)-3 (ITS Business) Responding to Changes in Market Structure

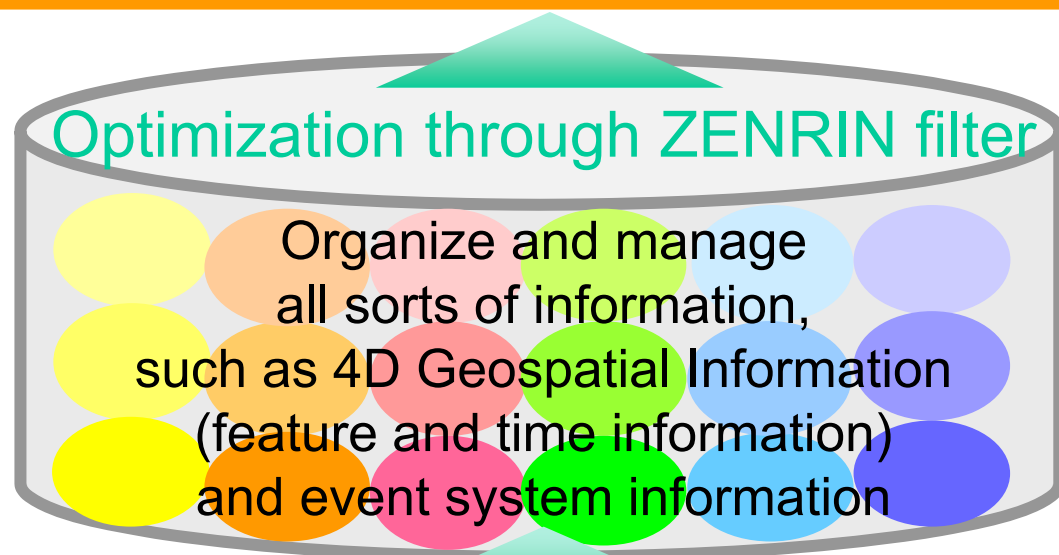


3) 4D Geospatial Information DB Building

4D Geospatial Information DB realizing provision of valuable information from among the vast amount of information, such as ITS highly-accurate map information and information useful for disaster prevention and mitigation

Provision of 4D Geospatial Information DB by mapping

Value realized through 4D Geospatial Information DB

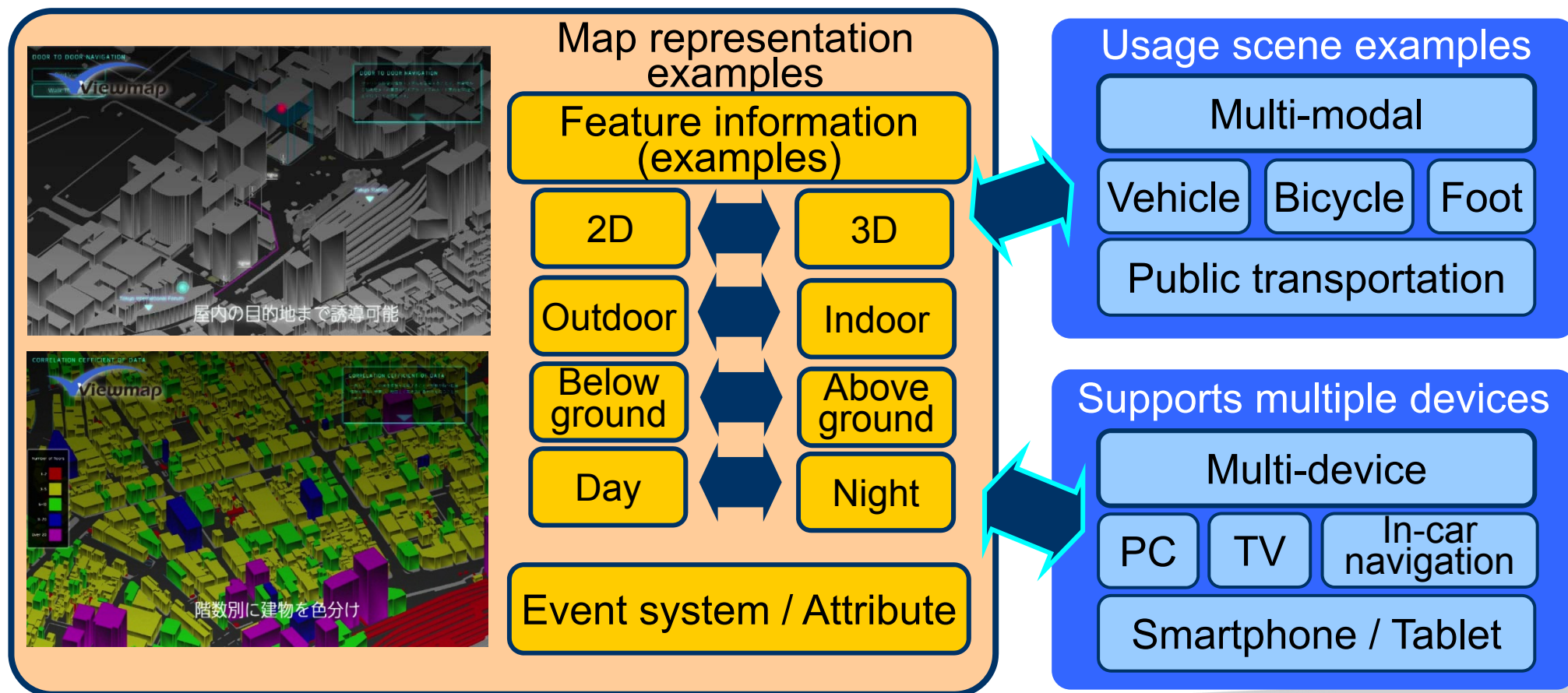


Various information in the real world
[4D Geospatial Information and event system information]

- Easily reach desired information [Convenience enhancement]
- Make realizations from buried information groups [Behavior support]
- Service creation through information analysis [Business support]
- Map utilization made simpler and more convenient [Greater speed and efficiency]

4) Viewmap DB Maintenance

Maps flexibly applicable to diversifying usage scenes through new map representations and optimization of information

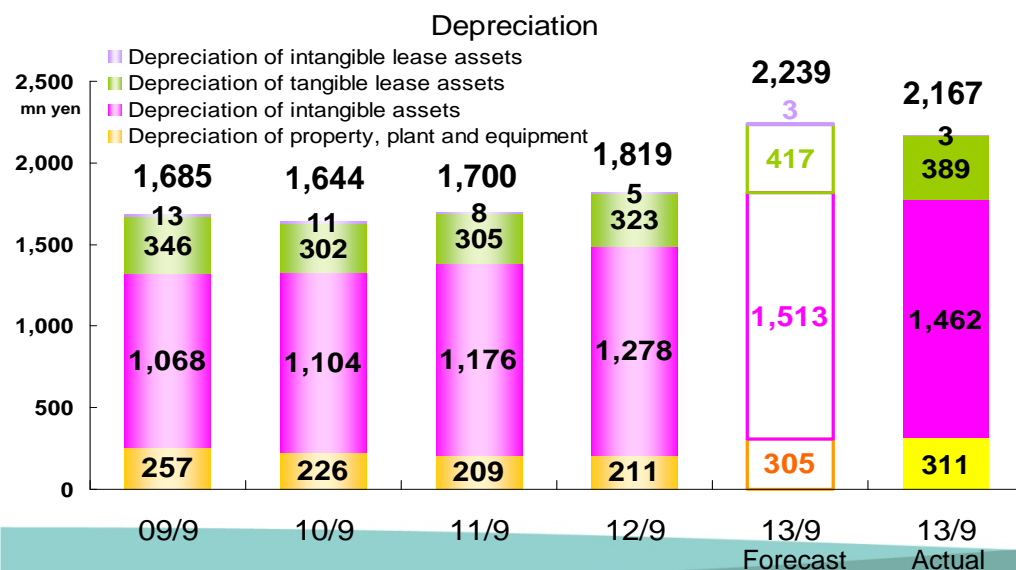
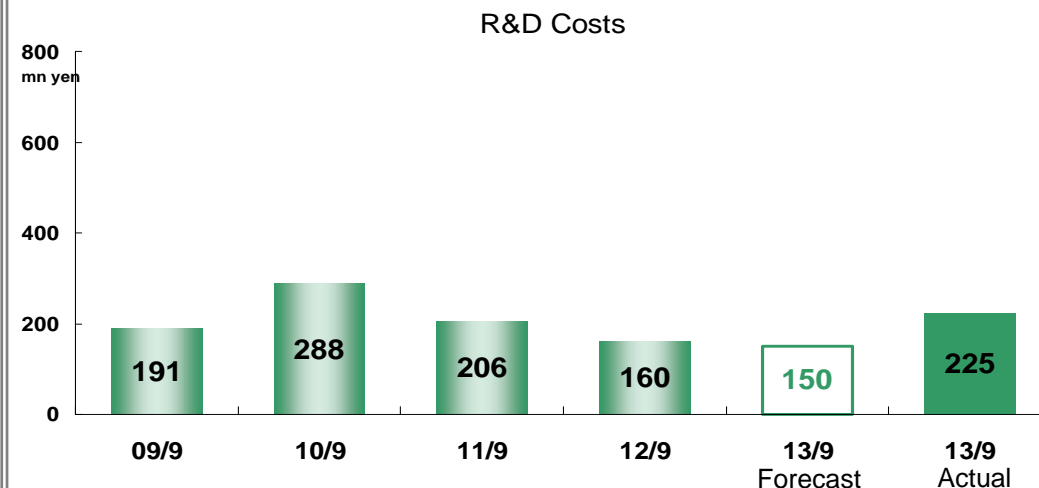
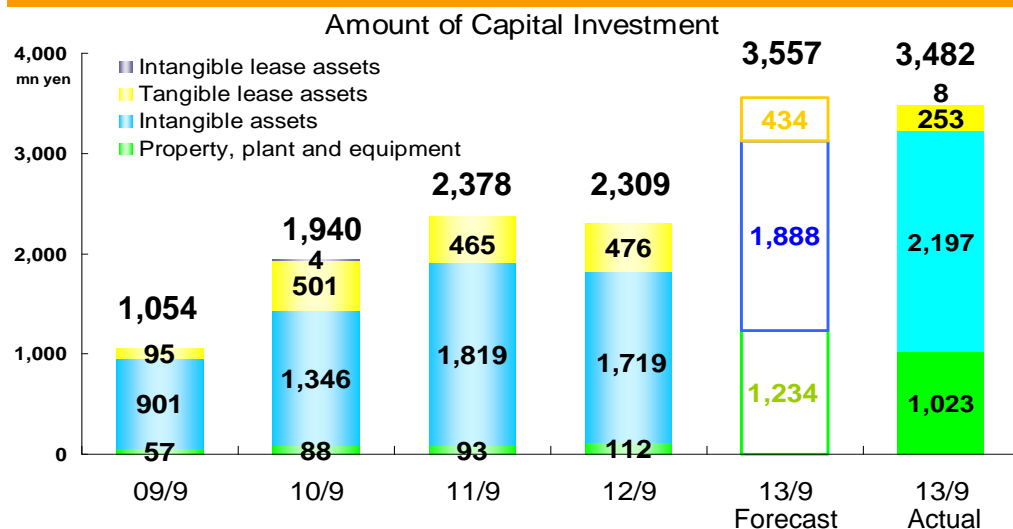


Appendix

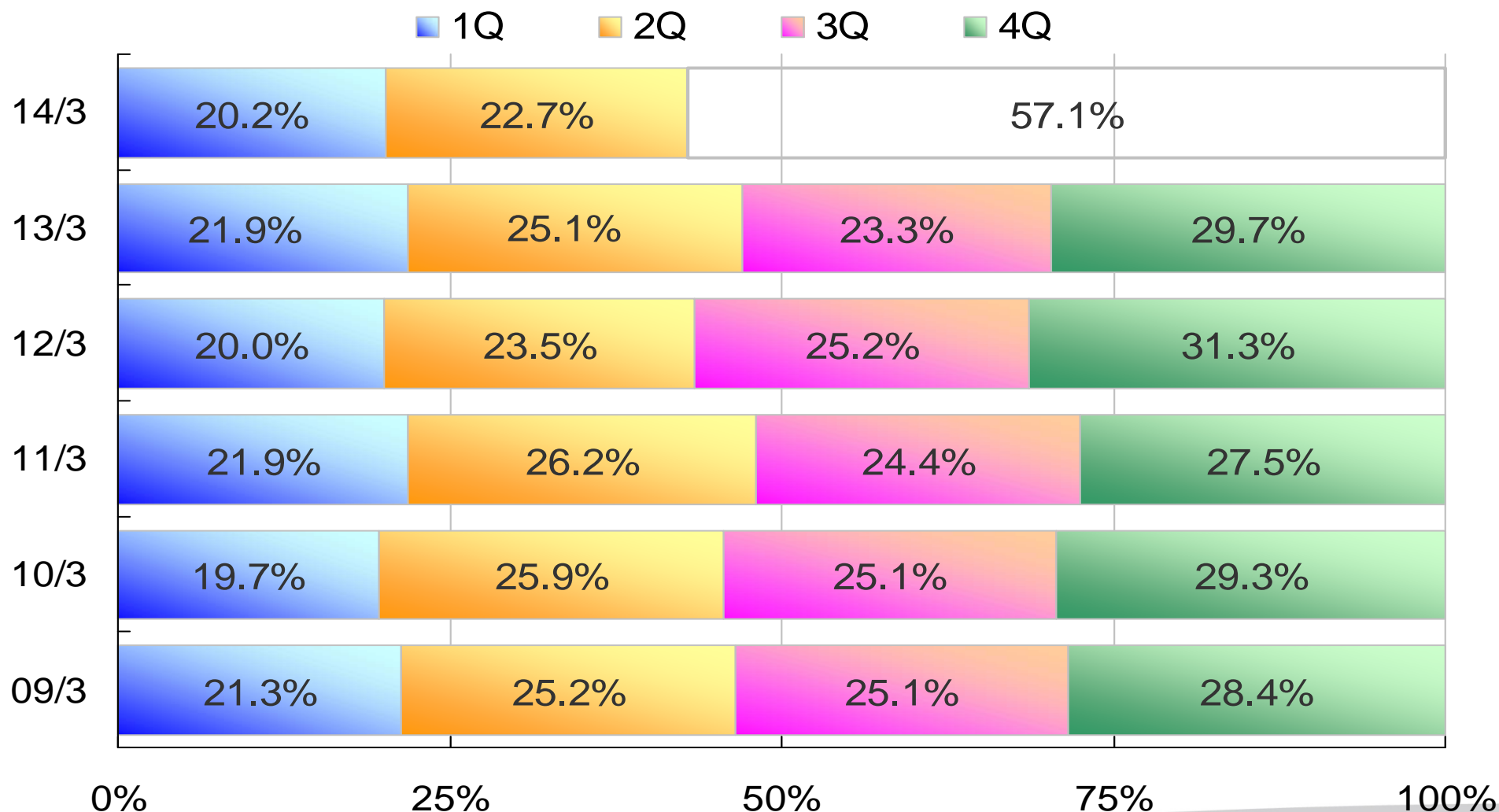
-
- (1) Overview of Results for First 2 Quarters of Fiscal 2014
 - Amount of Capital Investment, Depreciation and R&D Costs
 - Changes in Composition of Net Sales by Quarter
 - (2) Overview of Earnings Forecast for Fiscal 2014 (*Excerpt from May 2013 presentation materials)
 - Changes in Net Sales and Income
 - Causes for Change in Operating Income (Compared to Fiscal 2013)
 - Segment Information
 - Amount of Capital Investment, Depreciation and R&D Costs
 - (3) Progress of ZGP2015 (*Excerpt from May 2013 presentation materials)
 - Basic Structure and Numerical Targets
 - Business Strategy and Status of Progress (By Business Segment)
 - 4D Geospatial Information DB and Viewmap DB Prior Investments
-

Appendix (1) Overview of Results for First 2 Quarters of Fiscal 2014

Amount of Capital Investment, Depreciation and R&D Costs



Changes in Composition of Net Sales by Quarter



Changes in Net Sales and Income

Net Sales

Operating Income

Ordinary Income

Net Income

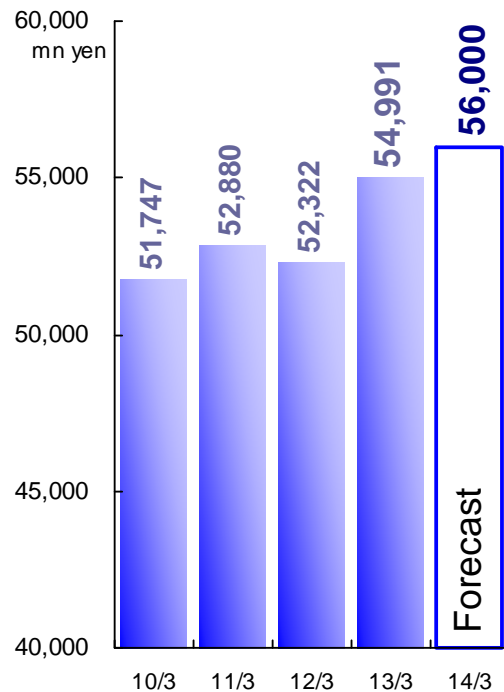
Compared to
FY2013

Up 1,008 (1.8%)

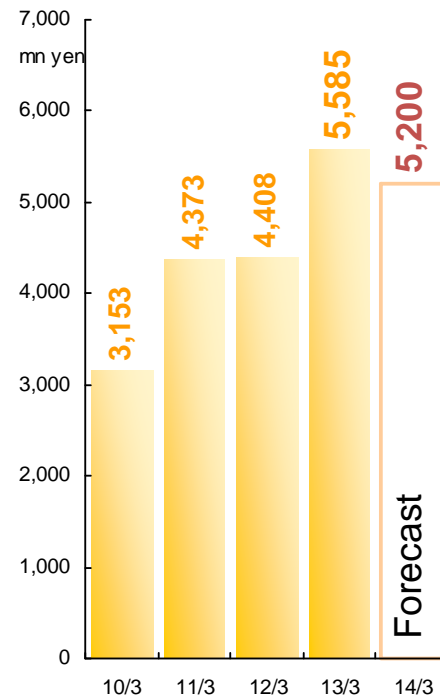
Down 385 (-6.9%)

Up 423 (8.3%)

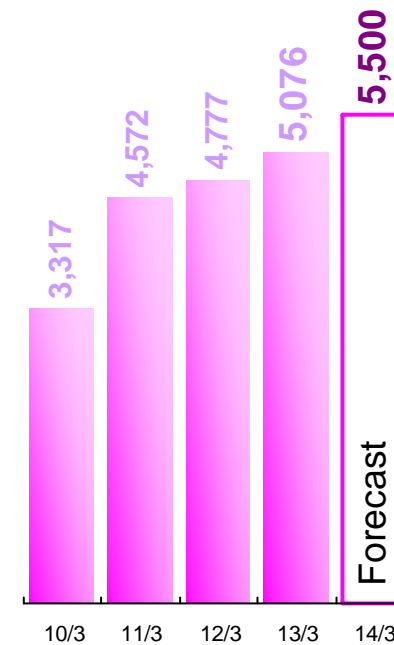
Up 664 (36.2%)



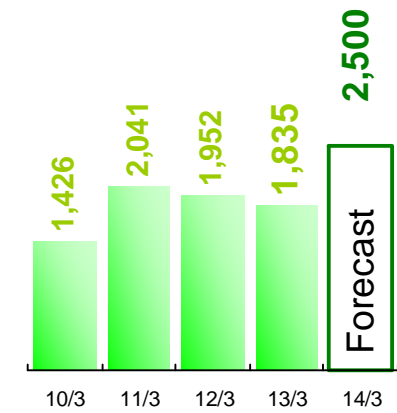
Increase in sales for
2 consecutive periods



Decrease in income for
first time in 4 periods



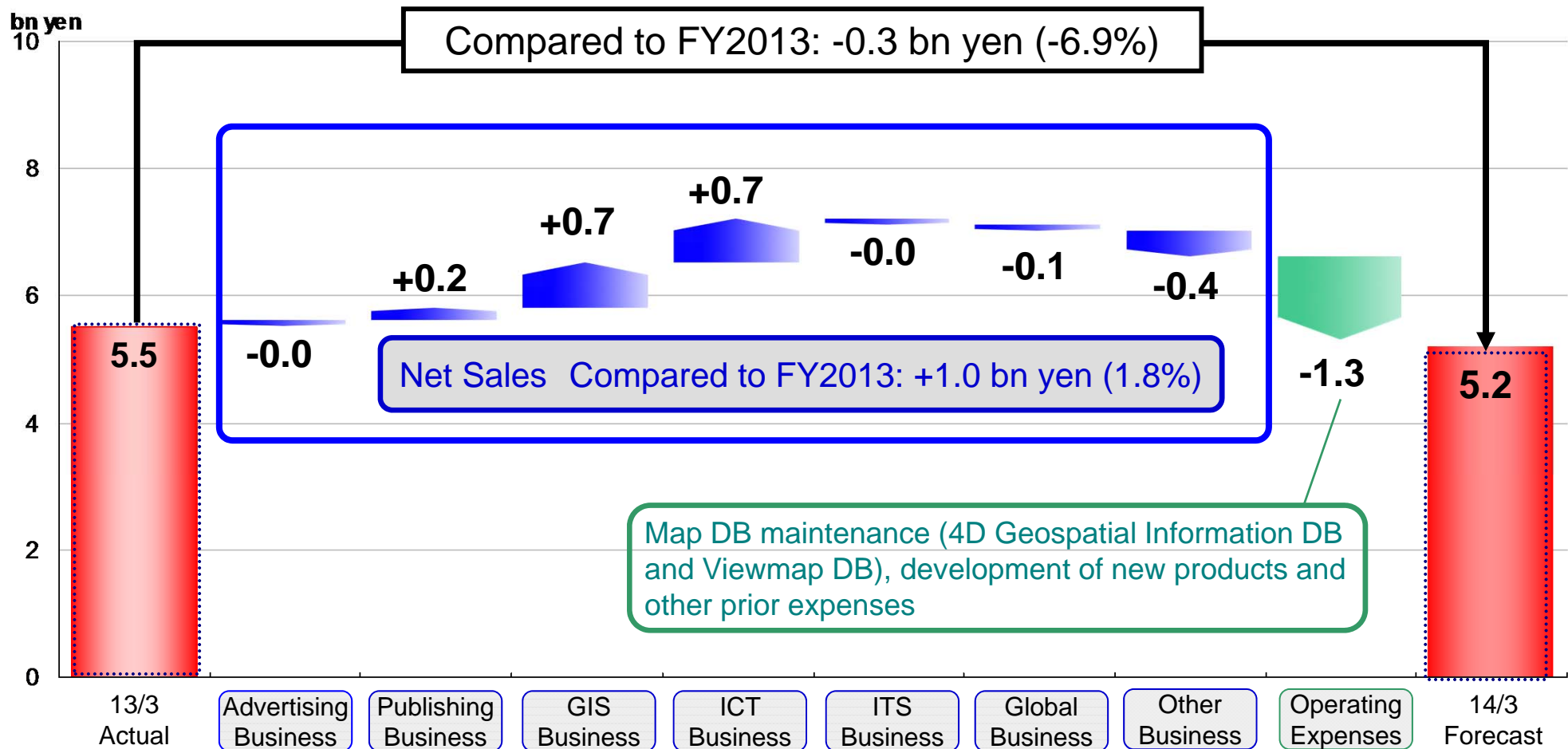
Increase in income for
4 consecutive periods



Increase in income for
first time in 3 periods

*The forecast is the figures announced on May 8, 2013.

Causes for Change in Operating Income (Compared to Fiscal 2013)



*The forecast is the figures announced on May 8, 2013.

Segment Information

Sales
Composition

87.3%

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



6.8%

2. General Printing Segment

Main Items: Commercial printing



5.9%

3. Other

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



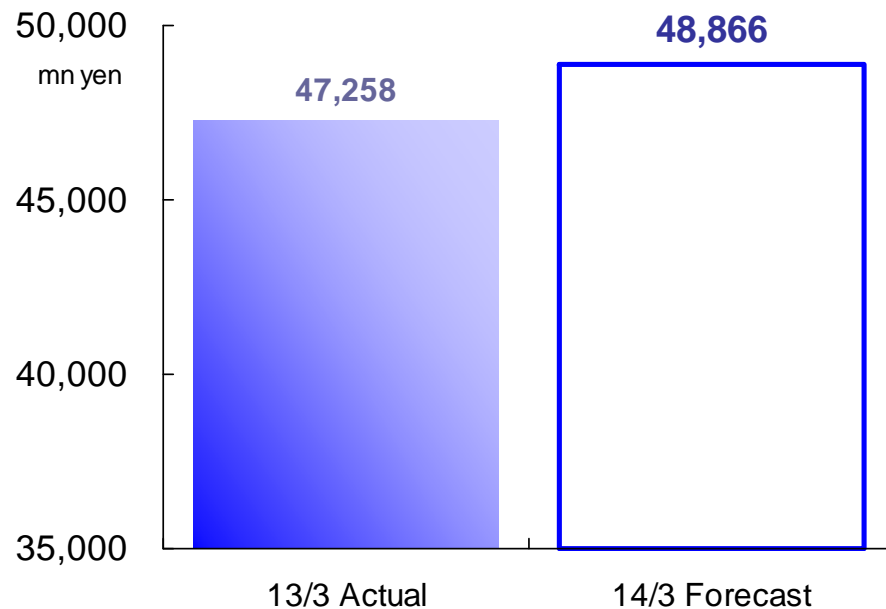
*The forecast is the figures announced on May 8, 2013.

Map Database Segment

Net Sales

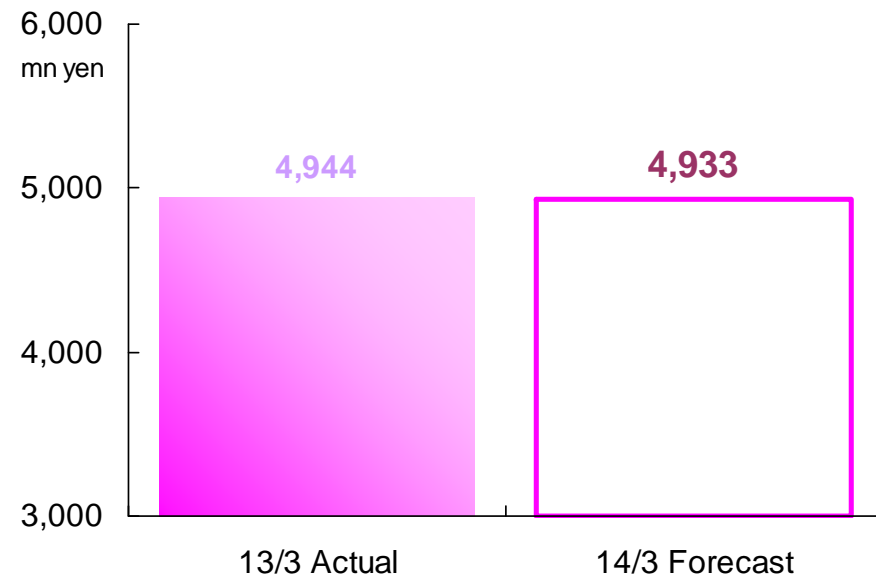
Compared to
FY2013

Up 1,608 (+3.4%)



Operating Income

Down 10 (-0.2%)



Compared to
FY2013

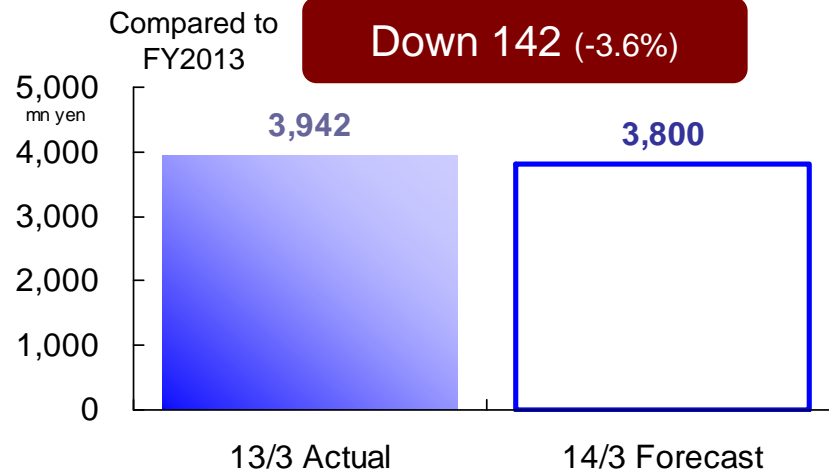
- Increase in sales resulting from development of applications in GIS Business
- Robust performance of services for smartphones in ICT Business
- Expenses for maintenance of 4D Geospatial Information DB and new map DB, development of new products and other operating expenses will precede

*The forecast is the figures announced on May 8, 2013.

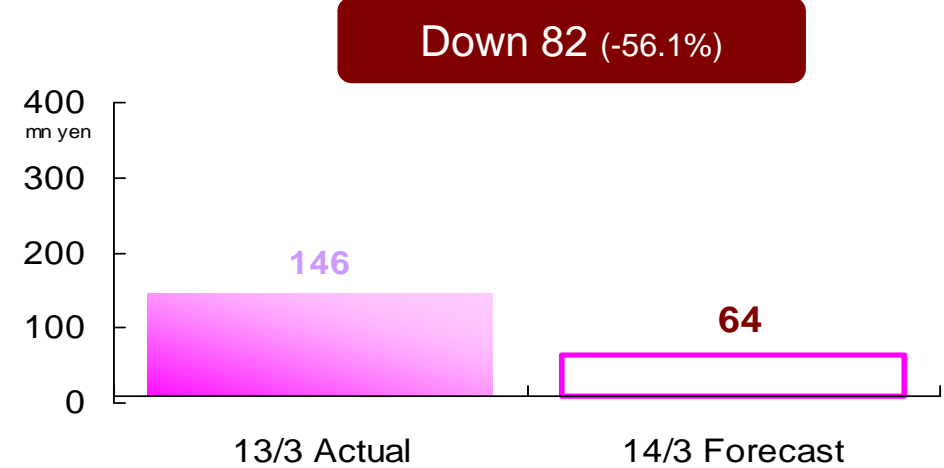
General Printing Segment, and Other

General Printing Segment

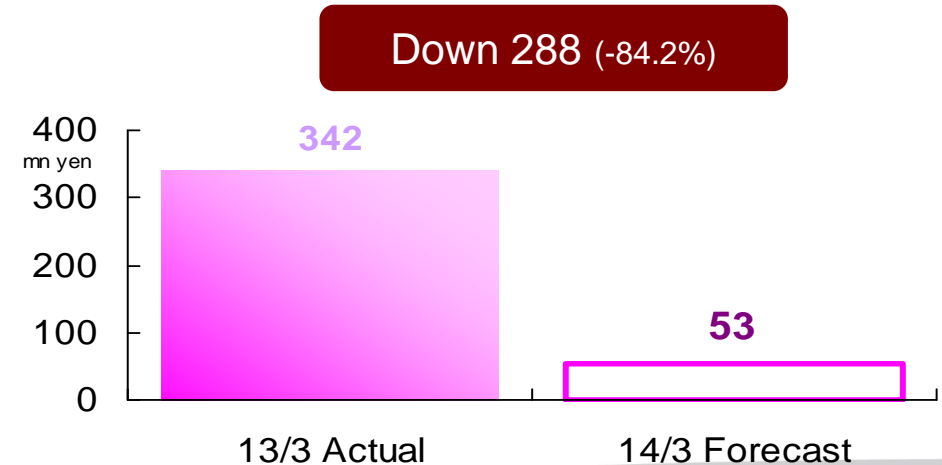
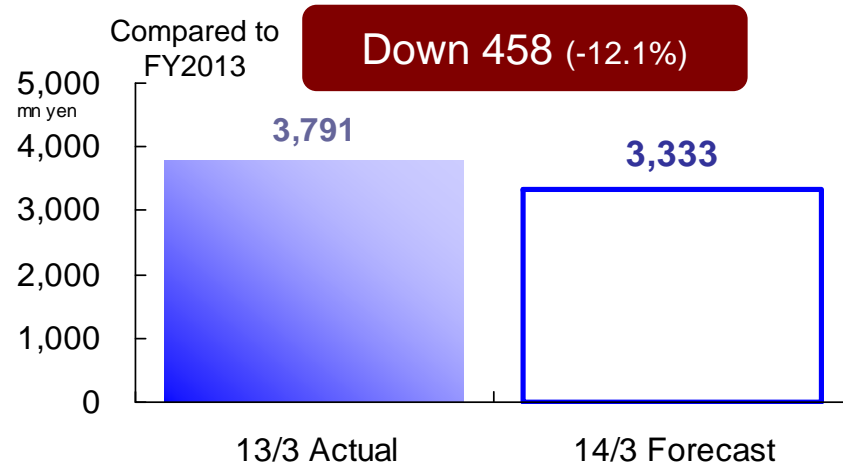
Net Sales



Operating Income



Other



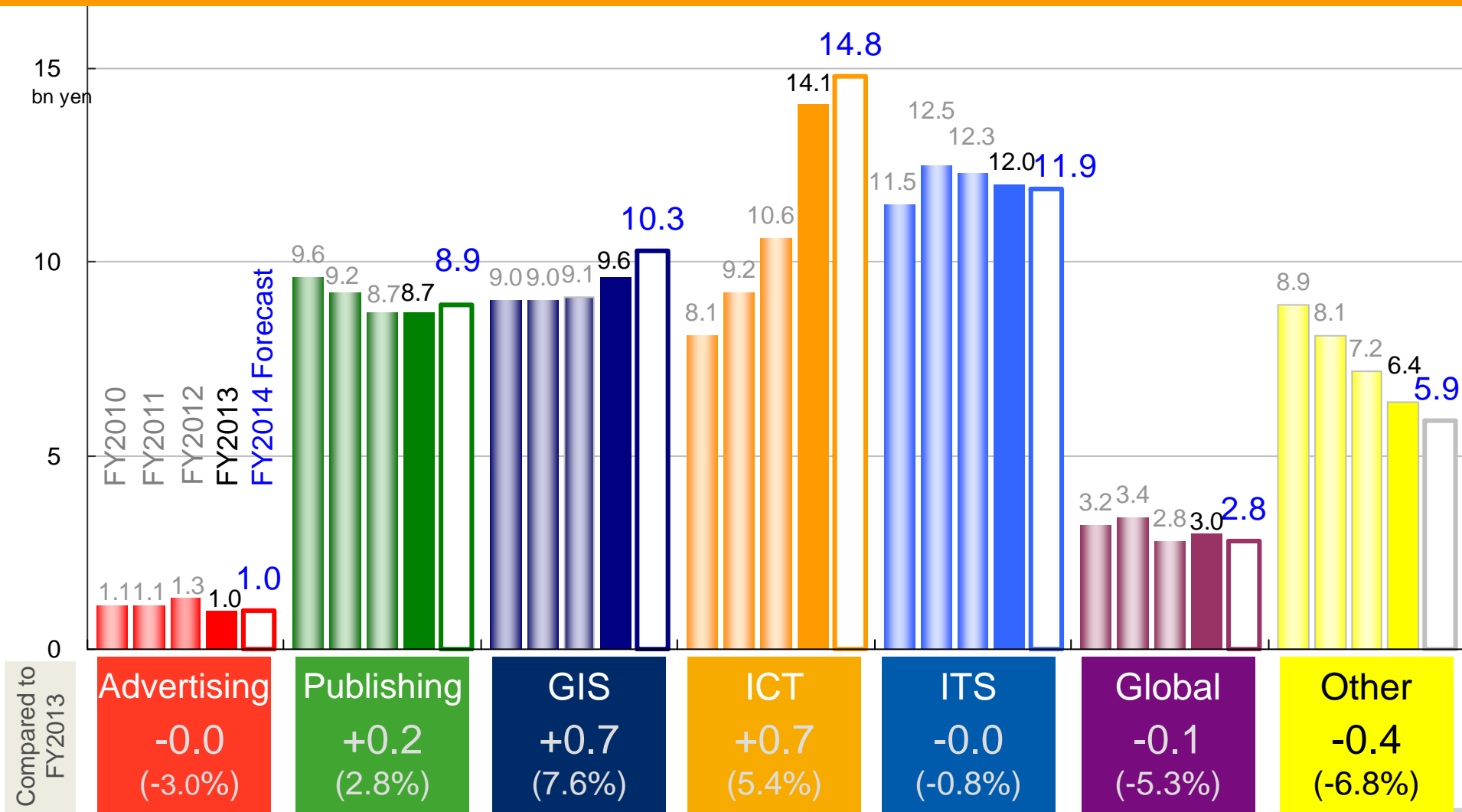
*The forecast is the figures announced on May 8, 2013.

Appendix (2) Overview of Earnings Forecast for Fiscal 2014

(*Excerpt from May 2013 presentation materials)

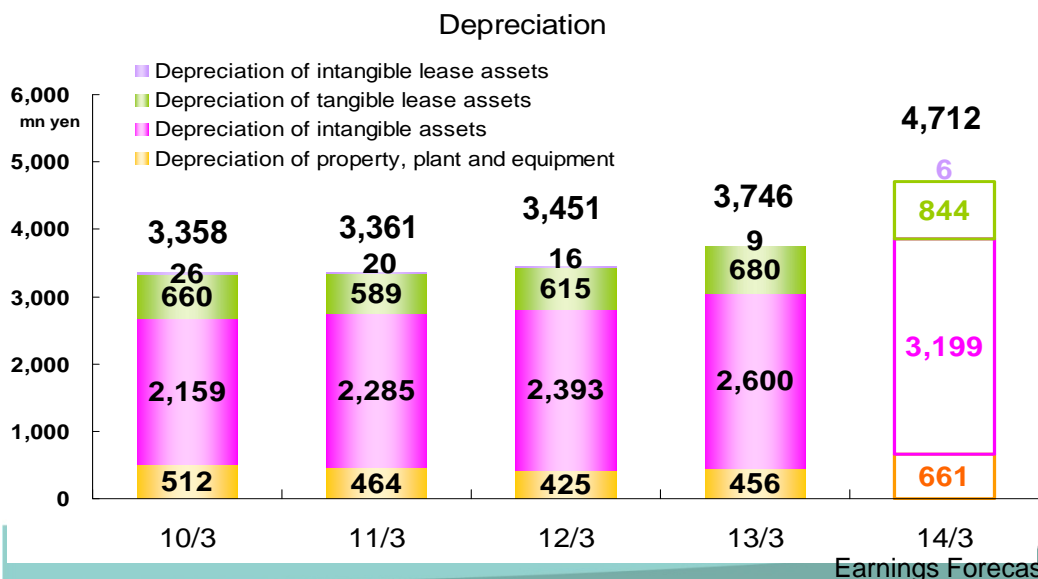
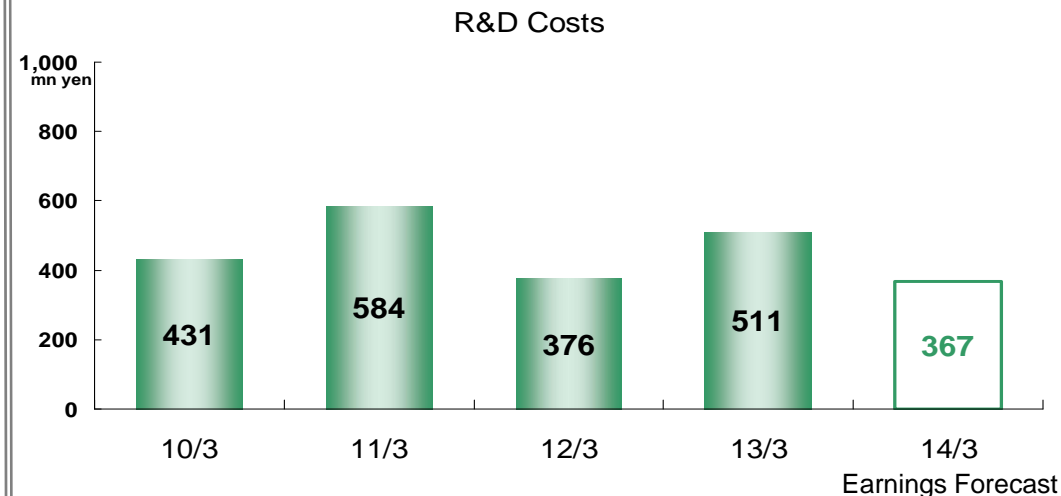
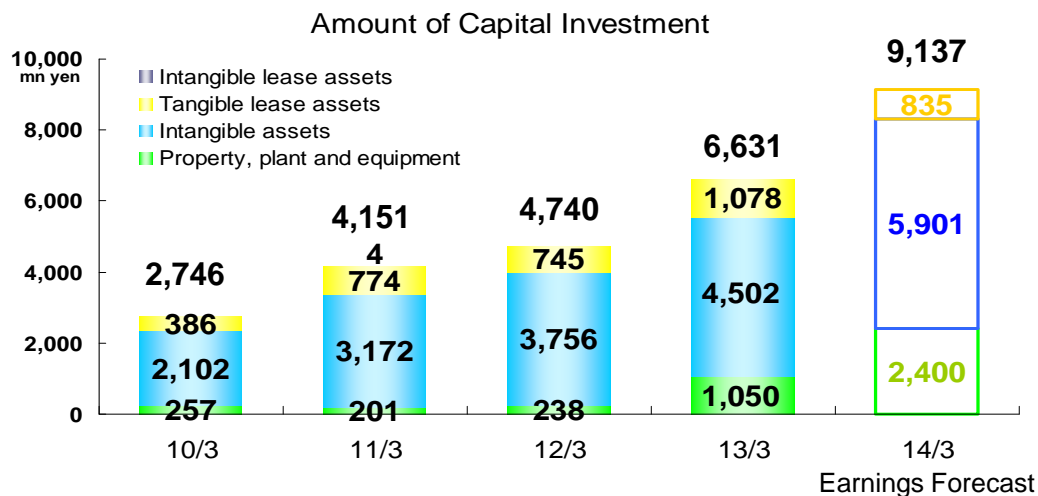
Briefing on Results for First 2Qs of FY2014

Net Sales by Business Segment under Medium-Term Business Plan ZGP2015



*The forecast is the figures announced on May 8, 2013.

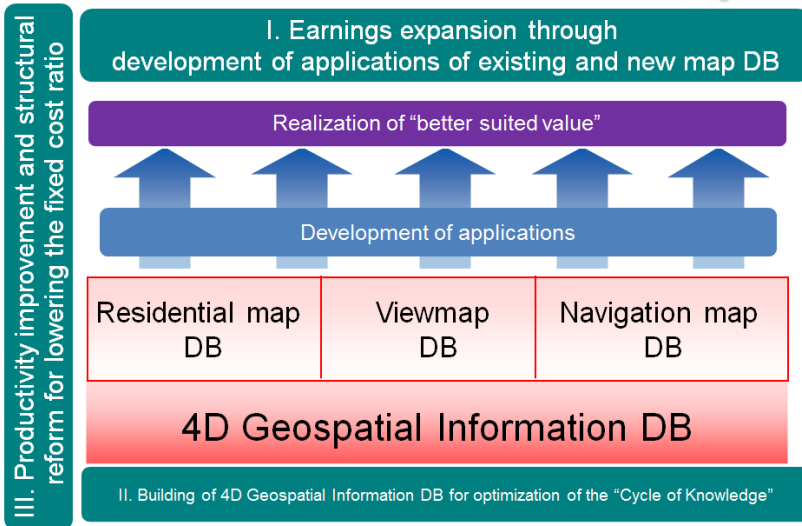
Amount of Capital Investment, Depreciation and R&D Costs



*The forecast is the figures announced on May 8, 2013.

Basic Structure and Numerical Targets

<Basic Structure>



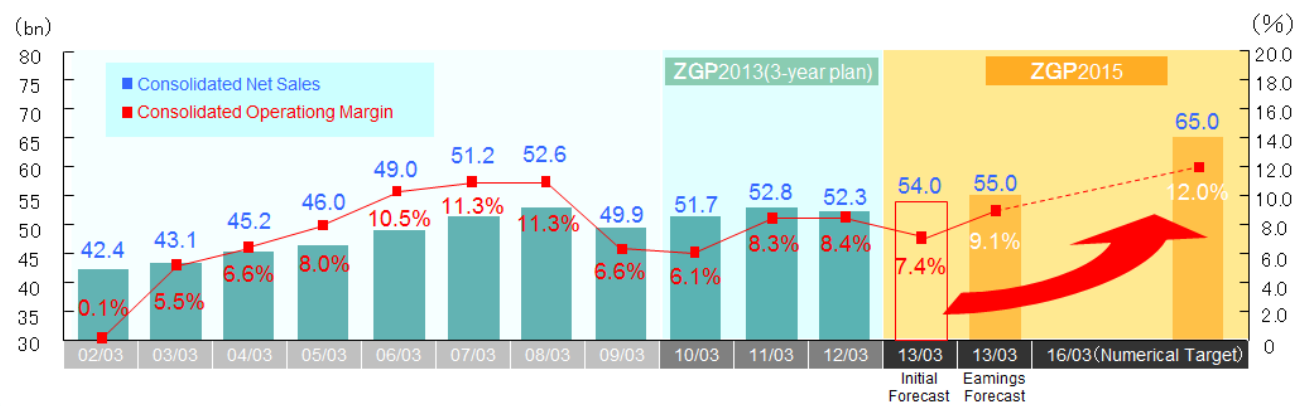
I. Earnings expansion through development of applications of existing and new map DB
We will vigorously promote the development of applications using a wide range of information, including map information. In addition to the existing residential map database (DB) and navigation map DB segments, we will upgrade the new "Viewmap DB" built on the combined expertise of residential and navigation map DBs to aggressively provide products and services that offer new value in our aim to increase earnings.

II. Building of 4D Geospatial Information DB for optimization of the "Cycle of Knowledge"
The ZENRIN Group offers a variety of products and services through the Cycle of Knowledge of collecting, managing and providing, which represents expertise the Group has built up over many years. In the future, we will establish a stronger business base by optimizing this Cycle of Knowledge based on the "curation" concept by taking further steps to build 4D Geospatial Information DB containing all the information that exists in the real world.

III. Productivity improvement and structural reform for lowering the fixed cost ratio
While making the investments required for developing new products and services, we will reduce the fixed cost ratio associated with developing and maintaining map DB, etc., through productivity improvements and structural reforms.

<Numerical Targets>

	2011 (FY2012)	2015 (FY2016)
Consolidated net sales	52.3 bn yen	65.0 bn yen
Consolidated operating margin	8.4%	12.0%
(Reference) Consolidated operating income	4.4 bn yen	8.0 bn yen level



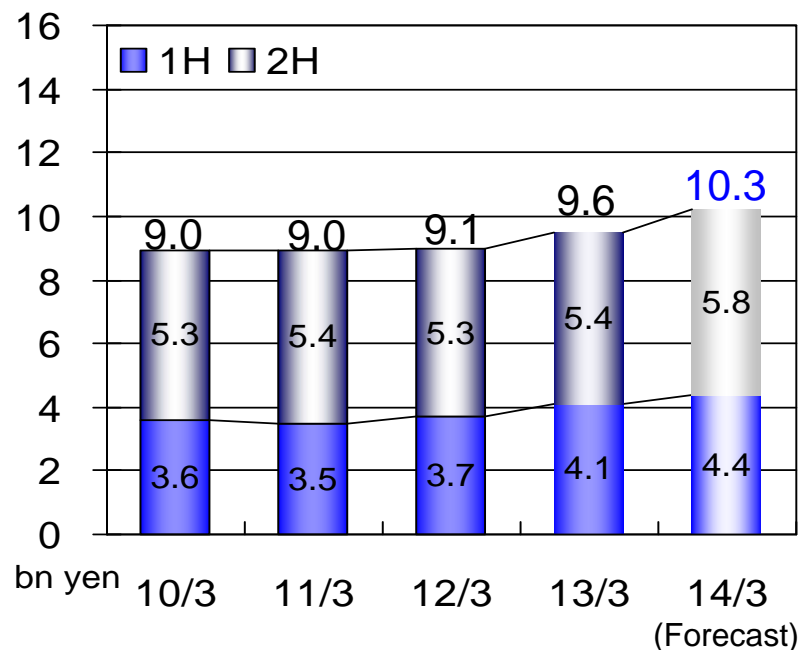
Business Strategy and Status of Progress <GIS Business>

Expansion of net sales and operating income

Business Opportunities and Strategic Policy

Expand earnings in GIS market linking map DB and all sorts of information

FY2014 Net Sales Forecast
Compared to FY2013: +0.7 bn yen (+7.6%)



[Net Sales Summary]

- ◇ Fiscal 2013 Actual
 - Increased for existing products, but delayed in market launch of new products
- ◇ Fiscal 2014 Forecast
 - +0.7 billion yen compared to fiscal 2013 to 10.3 billion yen

Strengthening of development of applications as top priority business of ZGP2015

- ◆ Product development
 - ⇒ Business-type-specific and operations-specific simplified GIS package products
- ◆ Marketing strategy
 - ⇒ In addition to strengthening ties with partners specializing in GIS, expand sales by offering at operating bases across Japan

*The forecast is the figures announced on May 8, 2013.

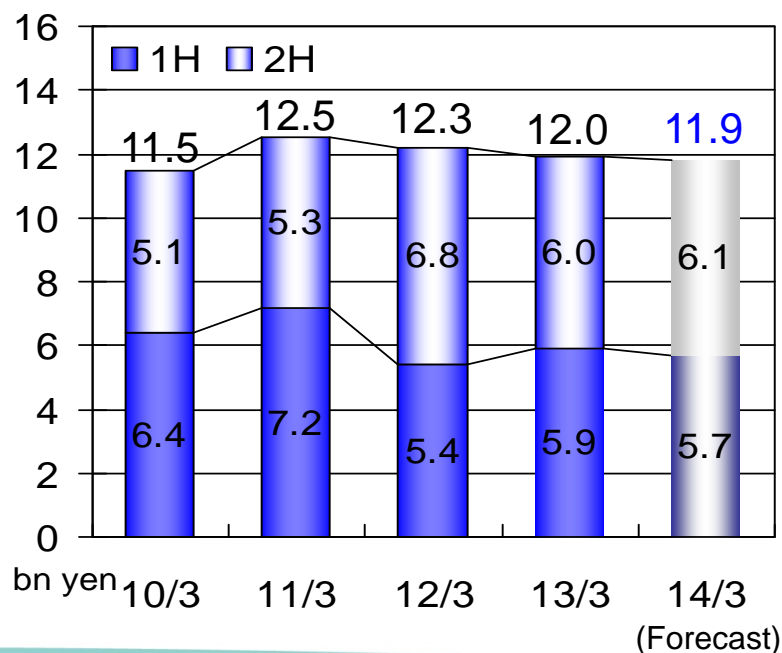
Business Strategy and Status of Progress <ITS Business>

Maintaining and stabilization of operating income amount

Business Opportunities and Strategic Policy

Secure ongoing income corresponding to diversification and increased rate of installation of navigation systems

FY2014 Net Sales Forecast
Compared to FY2013: -0.0 bn yen (-0.8%)



[Net Sales Summary]

- ◇ Fiscal 2013 Actual
 - Decreased due to decrease on the rebound of subsidies for green vehicles, impact of trends of car manufacturers and navigation systems manufacturers, etc.
- ◇ Fiscal 2014 Forecast
 - Maintain sales at 11.9 billion yen

Maintaining of market share
by responding to changes in market structure

- ◆ Increase in highly-accurate maps equipped
⇒ Strengthen development toward realization of ITS in the field of OEM in-car navigation systems
- ◆ Develop apps for navigation linked to smartphones
⇒ Promote development of multimodal content

*The forecast is the figures announced on May 8, 2013.

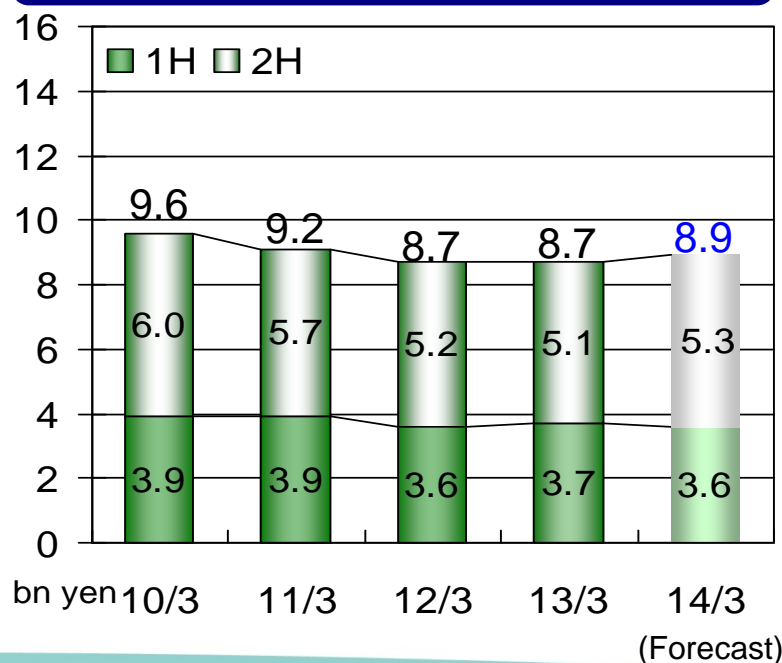
Business Strategy and Status of Progress <Publishing Business>

Improvement of
operating margin

Business Opportunities and Strategic Policy

Secure stable earnings through
customer information storage and utilization

FY2014 Net Sales Forecast
Compared to FY2013: +0.2 bn yen (+2.8%)



[Net Sales Summary]

- ◇ Fiscal 2013 Actual
 - Sales of printed residential maps showed trends of having bottomed out
- ◇ Fiscal 2014 Forecast
 - Market launch of new products, resulting in +0.2 billion yen compared to fiscal 2013 to 8.9 billion yen

Creation of optimal value for users

- ◆ Product planning
 - ⇒ Plan and develop products for customers based on clear concept
- ◆ Marketing development
 - ⇒ Offer planned products by strengthening relationships with customers

*The forecast is the figures announced on May 8, 2013.

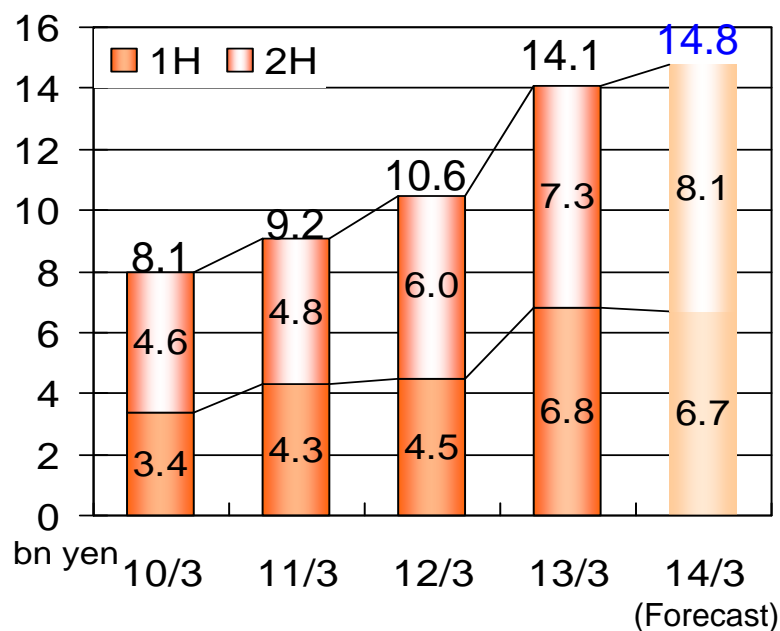
Business Strategy and Status of Progress <ICT Business>

Expansion of market share

Business Opportunities and Strategic Policy

Expand market
by providing maps to diversifying web services
and through proprietary services

FY2014 Net Sales Forecast Compared to FY2013: +0.7 bn yen (+5.4%)



[Net Sales Summary]

◇ Fiscal 2013 Actual

- Increase in number of fee-paying subscribers to smartphone service “docomo map navi powered by its-mo NAVI” led to +3.5 billion yen (up 33.2%) compared to fiscal 2012

◇ Fiscal 2014 Forecast

- Maintain number of fee-paying subscribers, resulting in +0.7 billion yen compared to fiscal 2013 to 14.8 billion yen for forecast of sales that exceed ZGP2015 final fiscal year numerical target

Utilization of location information and map information facilitating visualization of location information

- ◆ Strategy of coexistence of proprietary and other companies' platforms

*The forecast is the figures announced on May 8, 2013.

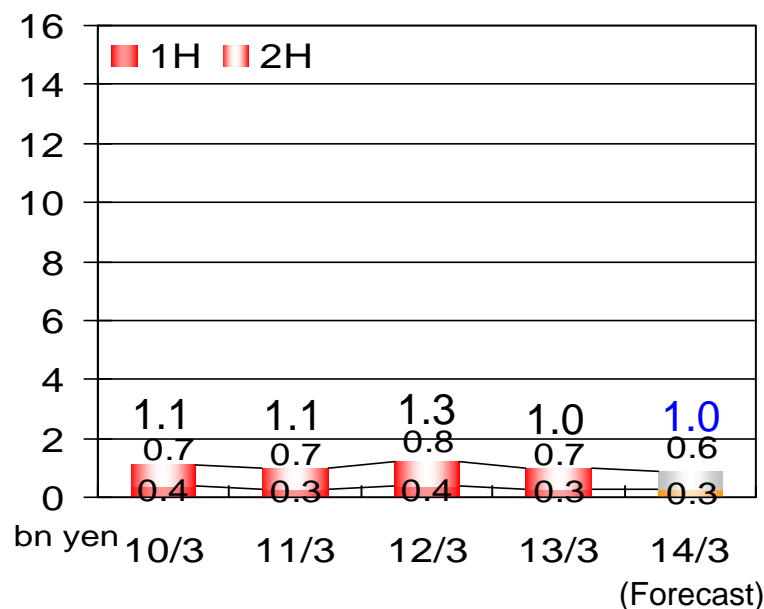
Business Strategy and Status of Progress <Advertising Business>

Expansion of
marginal income amount

Business Opportunities and Strategic Policy

Improve earnings
through implementation of new strategy

FY2014 Net Sales Forecast
Compared to FY2013: -0.0 bn yen (-3.0%)



[Net Sales Summary]

- ◇ Fiscal 2013 Actual
 - Communications media business “Actiz” information magazine “mi-ru-to” issued in 65 areas, but contribution to sales was limited
- ◇ Fiscal 2014 Forecast
 - Forecast the same level as fiscal 2013 at 1.0 billion yen

Restructuring of Advertising Business

- ◆ Specifications change and sales expansion, resulting in level that secures marginal income, but to fall short of contributing to income
⇒ “mi-ru-to” discontinued after issuing in 20 areas in fiscal 2014
- ◆ Redevelopment of strategy in regional advertising market

*The forecast is the figures announced on May 8, 2013.

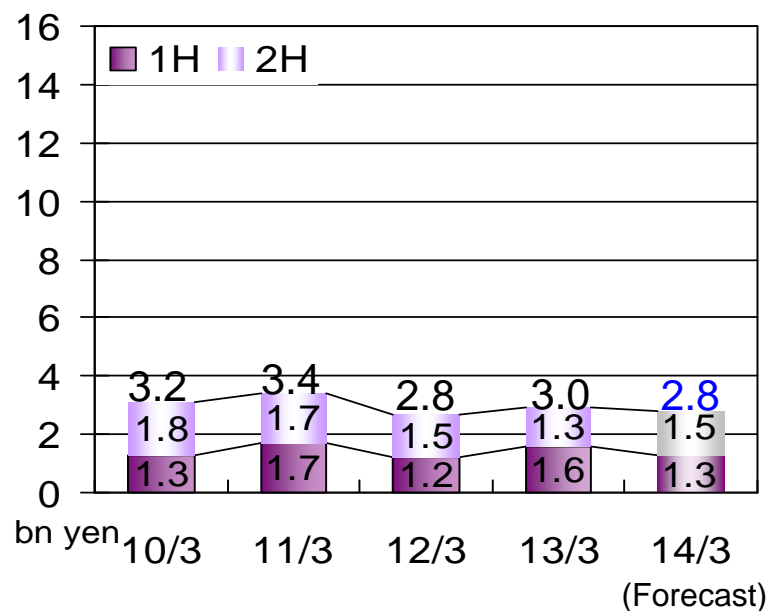
Business Strategy and Status of Progress <Global Business>

Creation of market in India

Business Opportunities and Strategic Policy

Build business base in developing countries, with focus on India, as new business domains

FY2014 Net Sales Forecast
Compared to FY2013: -0.1 bn yen (-5.3%)



[Net Sales Summary]

- ◇ Fiscal 2013 Actual
 - Pickup in North American market led to increase in sales
- ◇ Fiscal 2014 Forecast
 - -0.1 billion yen compared to fiscal 2013 to 2.8 billion yen

Full-scale launch in Indian market

- ◆ Establish local branch to strengthen information gathering and response to Japanese companies
- ◆ Release of services for smartphones

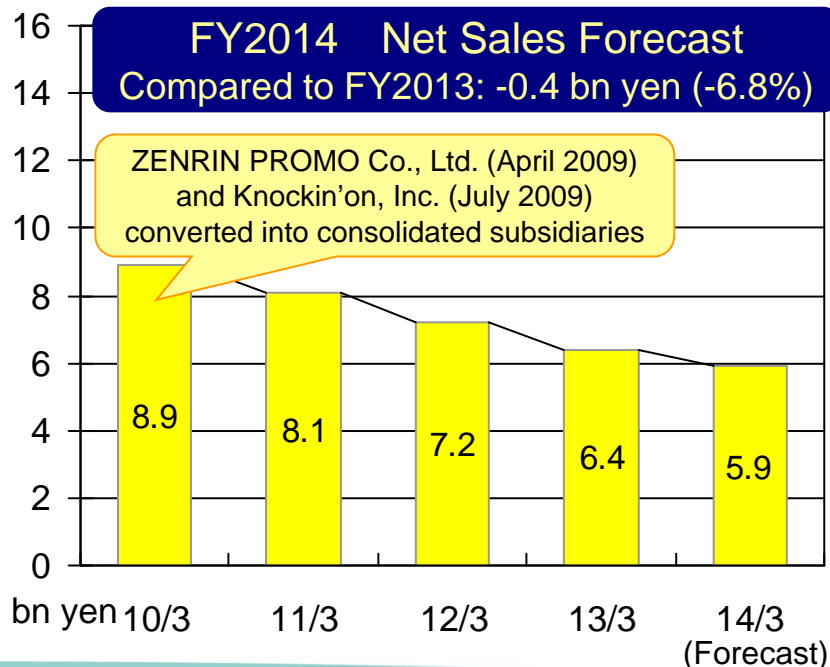
*The forecast is the figures announced on May 8, 2013.

Business Strategy and Status of Progress <Other Business>

Overview of Other Business

Consolidates the various businesses conducted by consolidated subsidiaries

- Commercial printing
- Corporate novelty products
- Internet advertising



[FY2013 Summary]

Liquidation of consolidated subsidiary Knockin'on, Inc.

- Knockin'on, which engages in the affiliate advertising business, was converted into a consolidated subsidiary in July 2009
- Sales decreased in size with shrinking market for affiliate business for mobile applications
- Resolution passed on transfer of part of Knockin'on's internet services to ZENRIN DataCom Co., Ltd. and on dissolution of Knockin'on
- Liquidation of Knockin'on completed on March 29

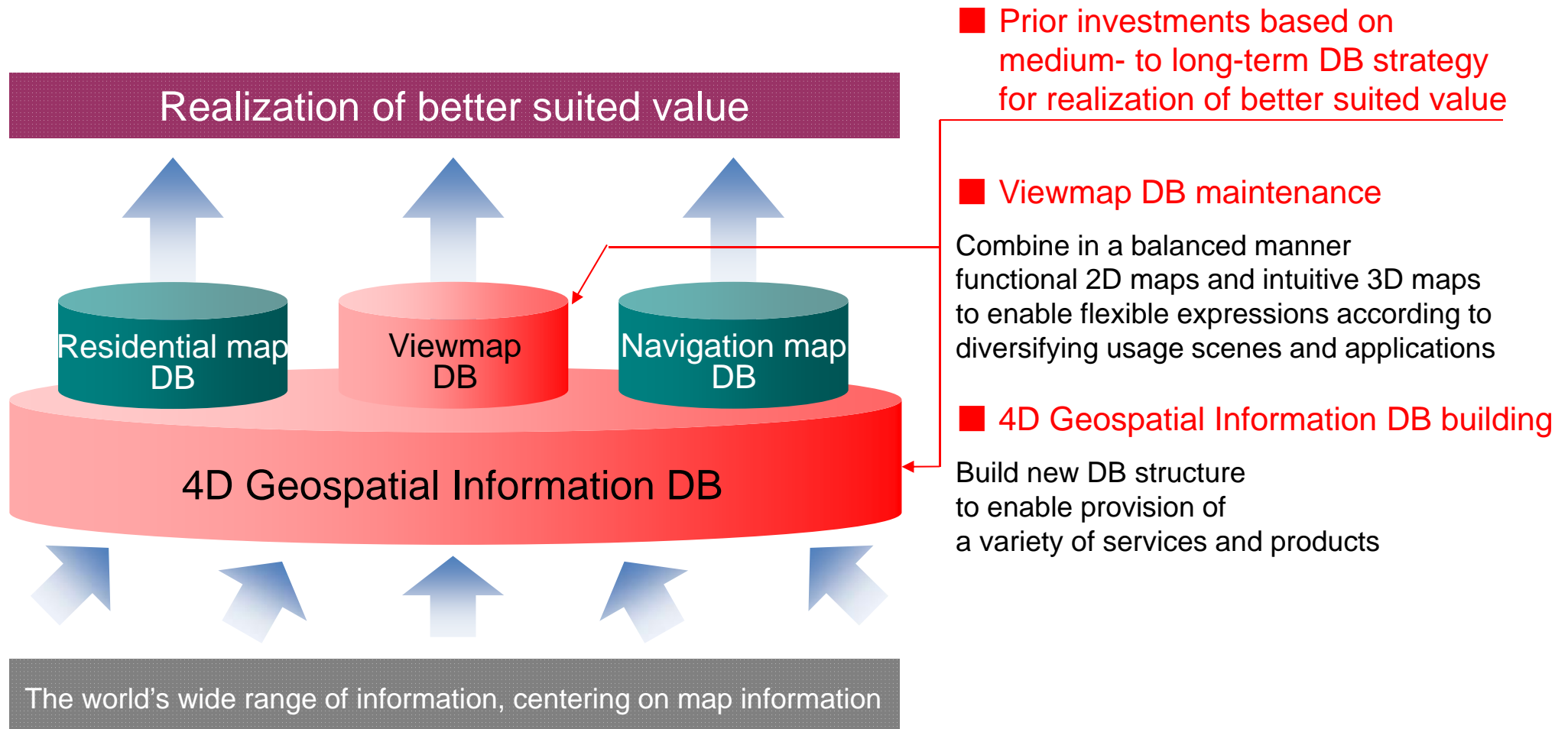
[FY2014 Forecast]

Net Sales Summary

Liquidation of Knockin'on, Inc., downsizing of CAD operations of DAIKEI DATA PROCESSING CO., LTD., etc., resulting in -0.4 billion yen compared to fiscal 2013 to 5.9 billion yen

*The forecast is the figures announced on May 8, 2013.

4D Geospatial Information DB and Viewmap DB Prior Investments



ZENRIN

Maps to the Future

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