

**ZENRIN**

Securities Code: 9474

# Briefing on Results for Fiscal 2015

(Year Ended March 31, 2015)  
May 14, 2015

**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 FY2015

## ■ Overview of Results for Fiscal 2015

## ■ Fiscal 2016 to Fiscal 2020

### Medium- to Long-Term Business Plan

### “ZENRIN GROWTH PLAN 2020” (ZGP2020)

~Make all maps in Japan based on ZENRIN~

## 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 “-.”

# Overview of Results for Fiscal 2015

- (1) Overview of Results
- (2) Causes for Change in Operating Income
- (3) Segment Information
- (4) Net Sales by Business Segment under Medium-Term  
Business Plan ZGP2015
- (5) Changes in Cash Flows
- (6) Dividends

# 1-1) Overview of Results

## Key Points of Results for Fiscal 2015

### Compared to Fiscal 2014 <decrease in sales and income (increase in net income)>

- As to net sales, although sales related to GIS utilizing residential map databases (DB) remained robust, the number of fee-paying subscribers to services for smartphones continued to decrease and sales of data for both Japanese and overseas in-car navigation systems also decreased.
- In line with sales decrease, operating income and ordinary income decreased. However, net income increased compared to FY 2014 due to decrease in income taxes-current impacted by loss carried forward of subsidiaries following restructuring, etc.

### Compared to Earnings Forecast <decrease in sales and income>

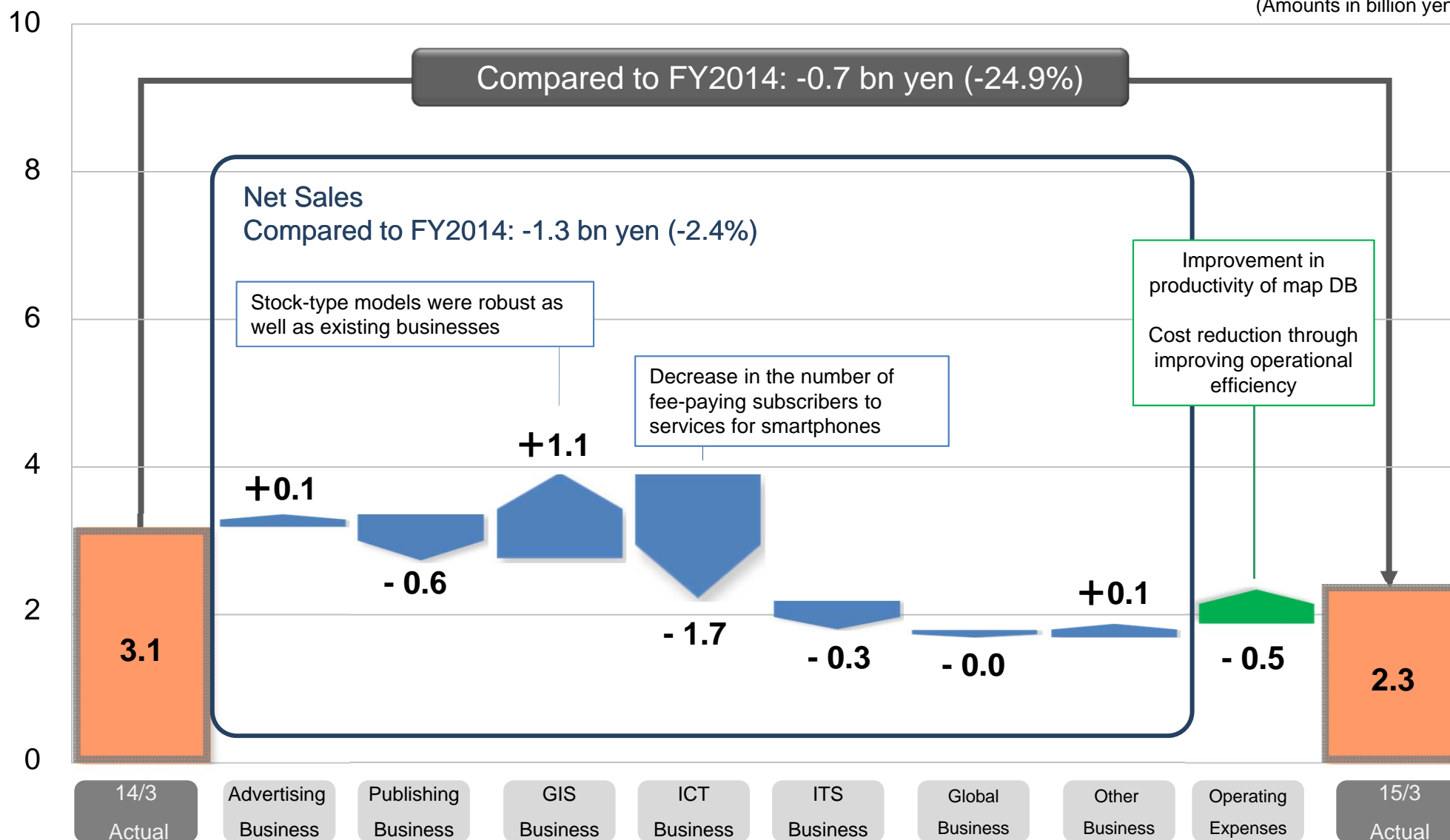
- Net sales was generally as forecast due to sales related to GIS remaining strong and effect from a subsidiary which was included in the scope of consolidation from the first 3 quarters.
- Decrease in income in each segment due to changes in sales composition (sales decrease in map DB related business, increase in others)

(Amounts in million yen)

	FY2014 Actual	FY2015 Earnings Forecast (May 8, 2014)	FY2015 Revised Forecast (Apr. 22, 2015)	FY2015 Actual	Compared to FY2014	% of Change	Compared to Earnings Forecast (May 8, 2014)	% of Change	Compared to Revised Forecast (Apr. 22, 2015)	% of Change
Net Sales	53,589	52,300	52,280	52,286	-1,303	-2.4	-13	-0.0	6	0.0
Operating Expenses	50,409	49,500	49,900	49,897	-511	-1.0	397	0.8	-2	-0.0
Operating Income	3,180	2,800	2,380	2,389	-791	-24.9	-410	-14.7	9	0.4
Operating Margin	5.9%	5.4%	4.6%	4.6%	-1.3pt		-0.8pt		0.0pt	
Ordinary Income	3,663	3,100	2,750	2,751	-912	-24.9	-348	-11.2	1	0.0
Ordinary Margin	6.8%	5.9%	5.3%	5.3%	-1.5pt		-0.6pt		0.0pt	
Net Income	1,272	2,100	1,460	1,464	192	15.1	-635	-30.3	4	0.3

# 1-2) Causes for Change in Operating Income

(Amounts in billion yen)



# 1-3) Segment Information

Sales  
Composition

85.5%

## 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



7.2%

## 2. General Printing Segment

**Main Items:** Commercial printing



7.3%

## 3. Other

**Main Items:** Purchased products, digital signage, direct mail delivery services, in-ship advertising



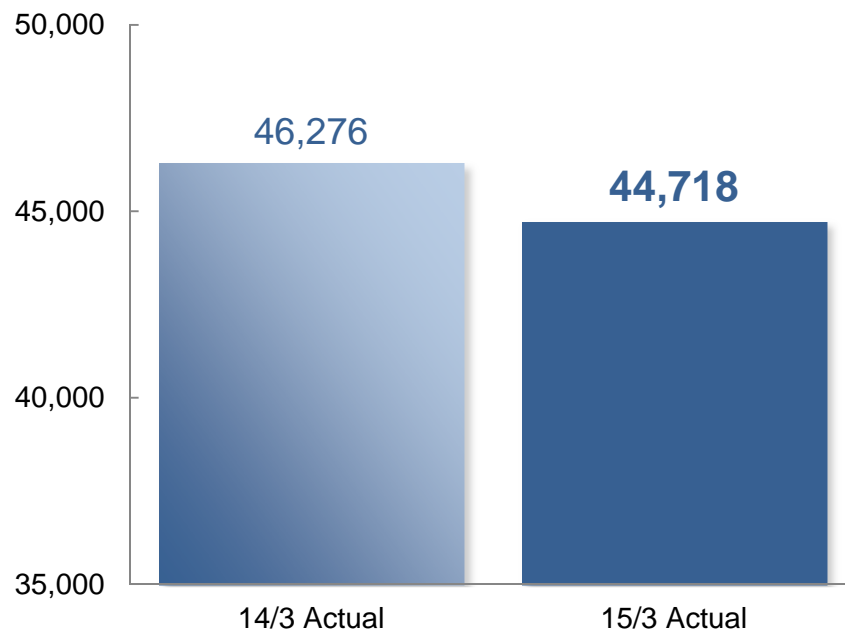
# 1-3) Map Database Segment

(Amounts in million yen)

## Net Sales

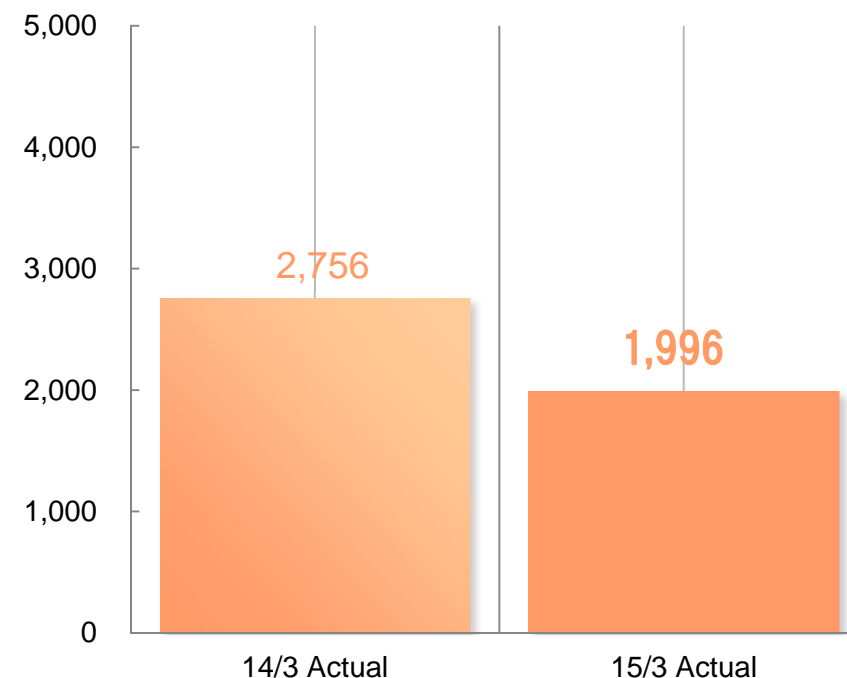
Compared to  
FY2014

Down 1,557 (-3.4%)



## Operating Income

Down 759 (-27.6%)

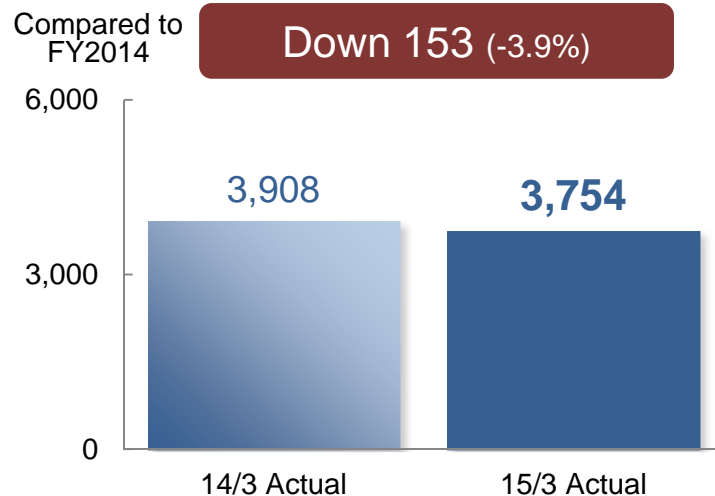


# 1-3) General Printing Segment, and Other

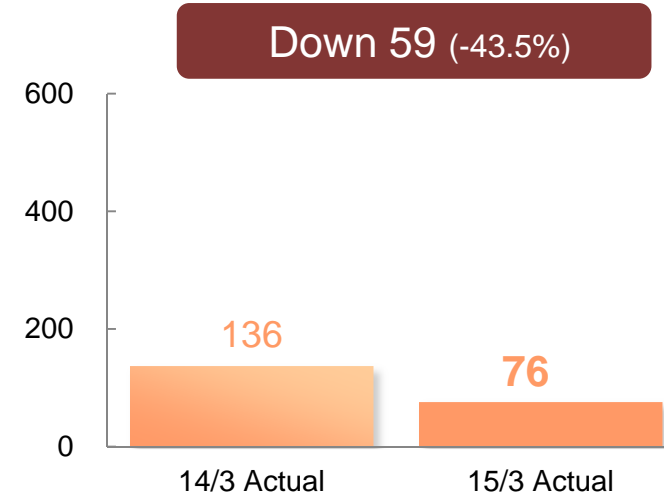
(Amounts in million yen)

General Printing Segment

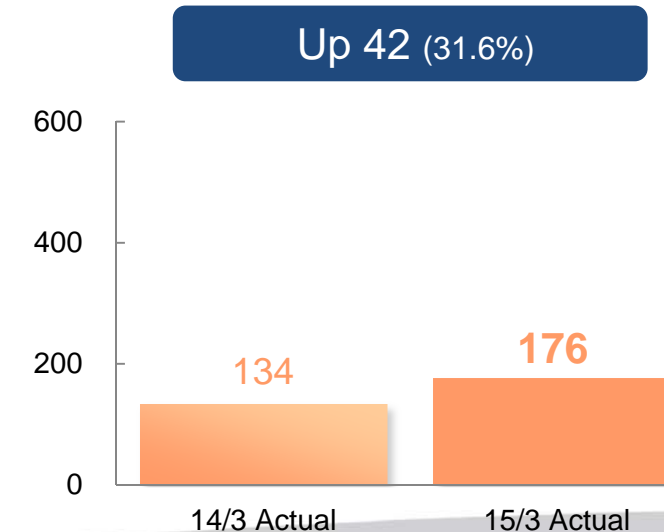
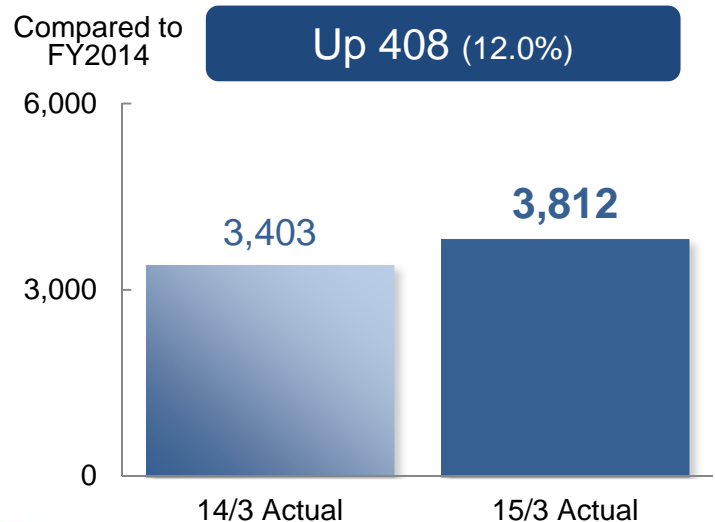
## Net Sales



## Operating Income



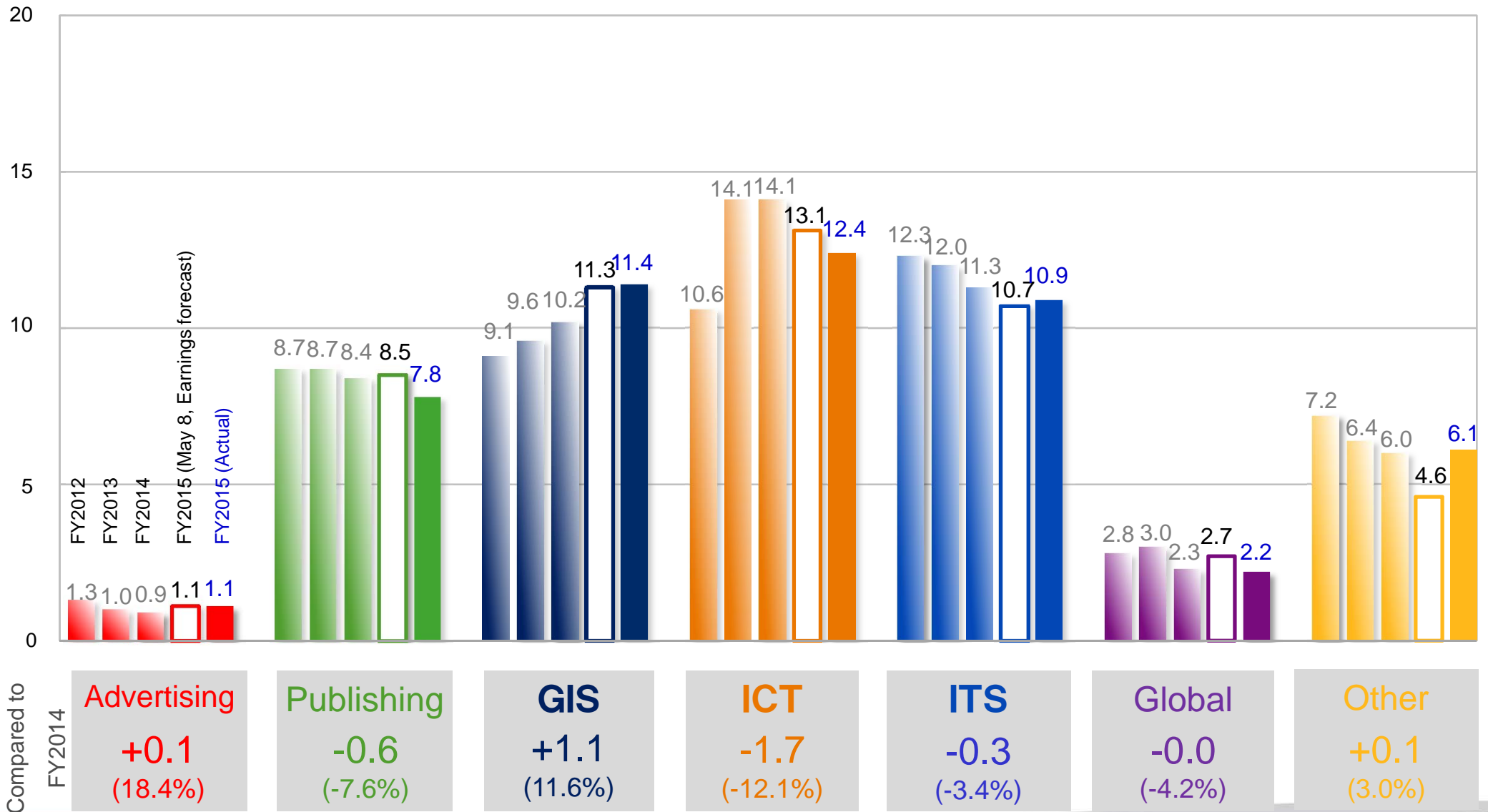
Other





# 1-4) Net Sales by Business Segment under Medium-Term Business Plan ZGP2015

(Amounts in billion yen)

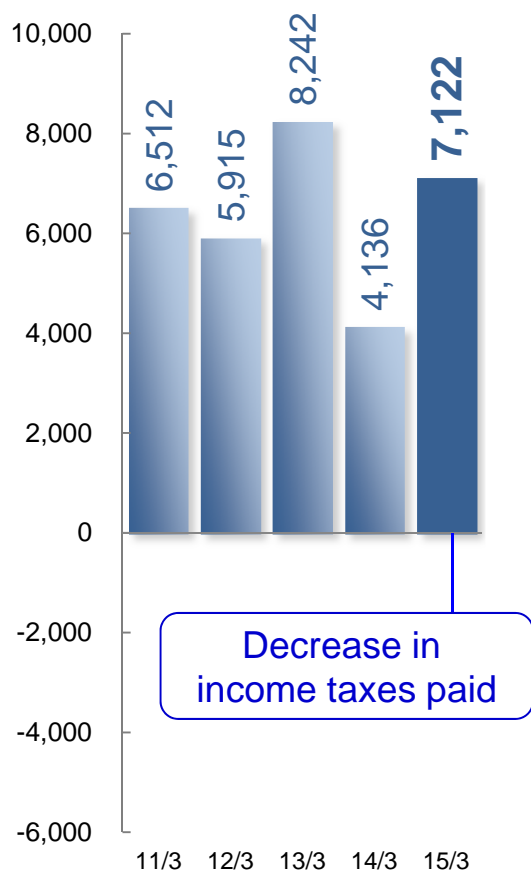


# 1-5) Changes in Cash Flows

(Amounts in million yen)

## Operating Cash Flows

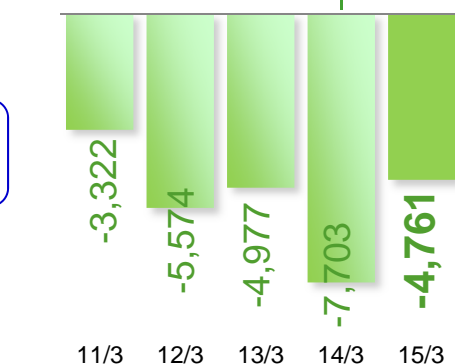
Inflows up 2,986



## Investing Cash Flows

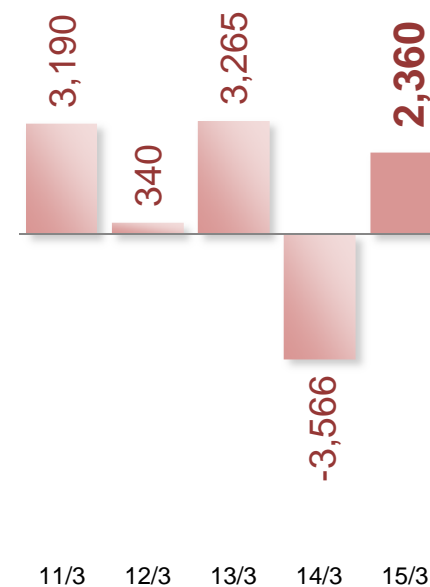
Outflows down 2,941

Remodeling and expansion of ZENRIN-owned property



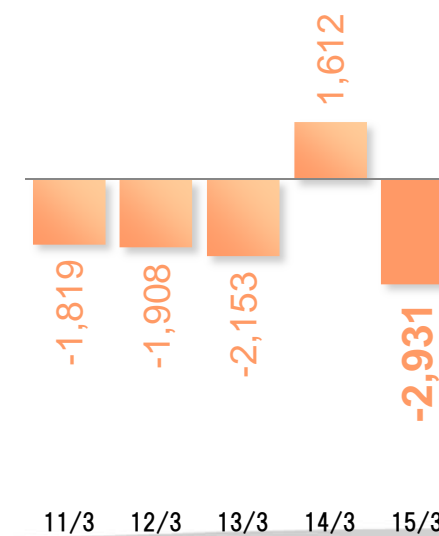
## Free Cash Flows

Inflows up 5,927



## Financing Cash Flows

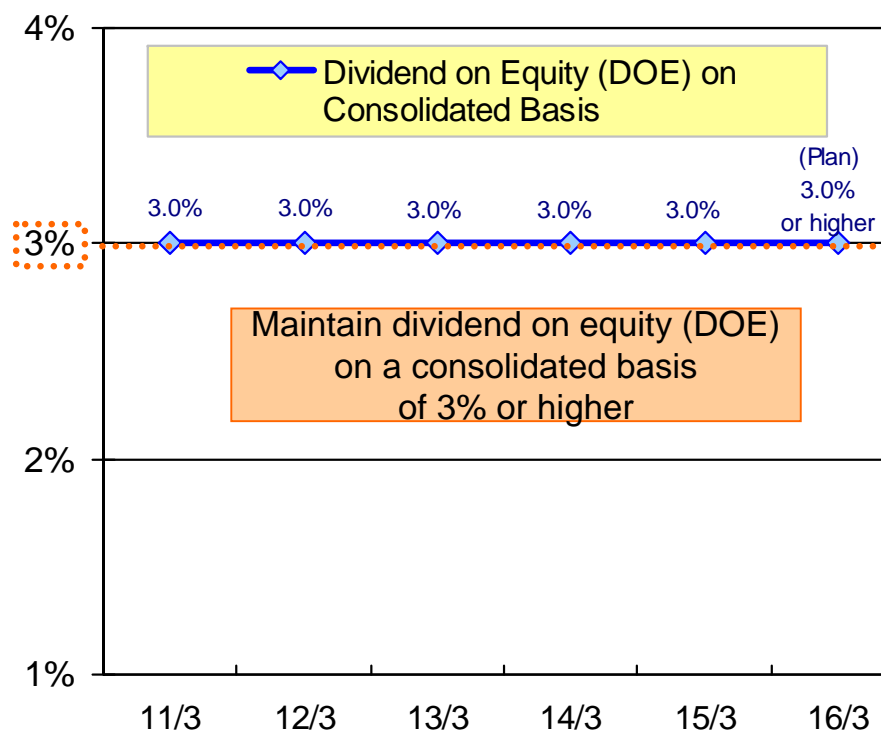
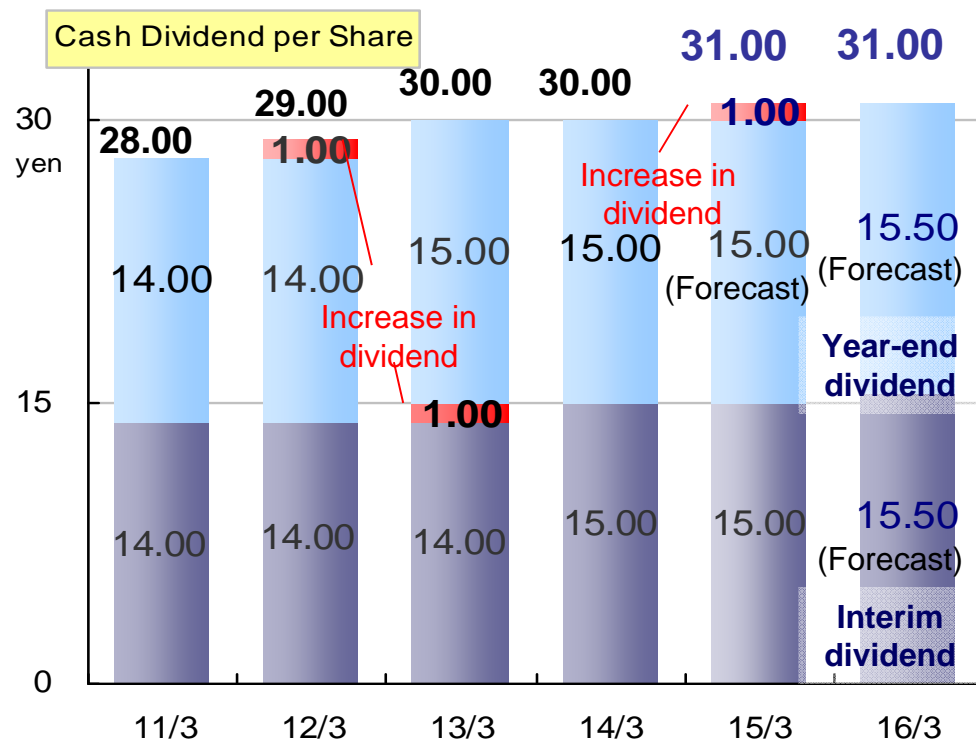
Outflows up 4,544



# 1-6) 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

**Year-end dividend: 16 yen (1 yen increase from the initial forecast)**  
**Annual dividend: 31 yen**



Fiscal 2016 to Fiscal 2020  
Medium- to Long-Term Business Plan  
**ZENRIN GROWTH PLAN 2020**  
~Make all maps in Japan based on ZENRIN~

I. Review of “ZENRIN GROWTH PLAN 2015” (ZGP2015)

II. “ZENRIN GROWTH PLAN 2020” (ZGP2020)

III. Earnings Forecast for Fiscal 2016

# I. Review of ZGP2015

## ZENRIN GROWTH PLAN 2015

Realize “better suited value” based on the thinking of curation

- I. Earnings expansion through development of applications of existing and new map DB
- II. Building of spatio-temporal DB for optimization of the “Cycle of Knowledge”
- III. Productivity improvement and structural reform for lowering the fixed cost ratio

# Status of Progress of ZGP2015 Targets

Development of applications  
being limited

Environmental changes in the  
smartphone services and in-car  
navigation system markets

Prior expenses  
associated with  
4D Geospatial Information DB  
maintenance

Impact on progress of  
ZGP2015

Consolidated Net Sales (Amounts in billion yen)



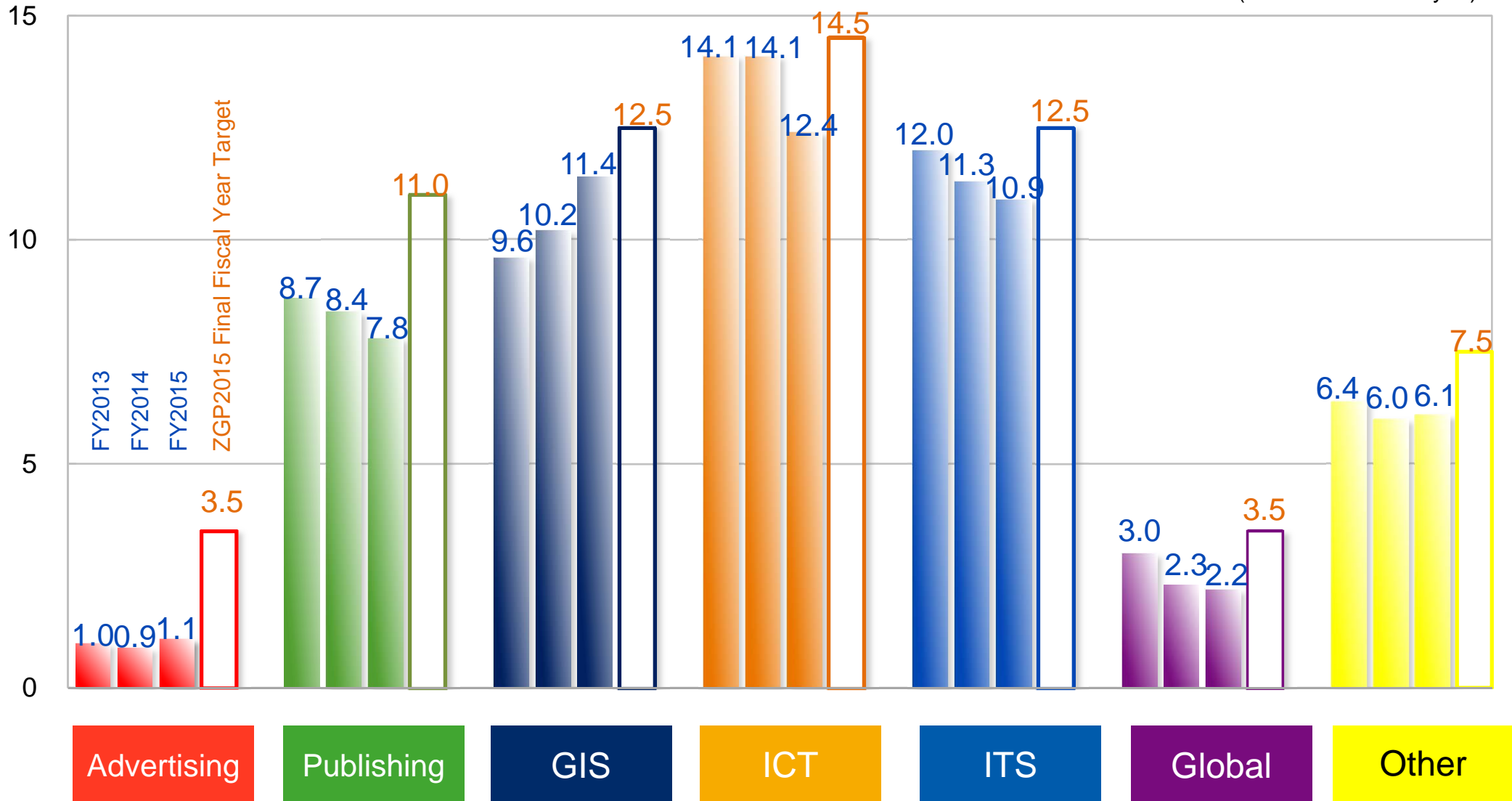
Consolidated Operating Income





# Changes in Net Sales by Business under ZGP2015

(Amounts in billion yen)



## II. ZGP2020

Corporate Vision

**World's leading company in the mapping of information**

**Year 2020**

**“Field-oriented corporate management”  
~Make all maps in Japan based on ZENRIN~**

**©ZENRIN**

- Changes in social structure due to IT technological evolution
- Growing disaster prevention awareness and disaster countermeasures
- Tokyo winning the bid to host the 2020 Olympic Games
- Safe, secure and comfortable automobile society
- Increase in foreign travelers visiting Japan

## Expansion of opportunities for use of map information

- Enhancement of SMEs' GIS system usage environment
- Sophistication of ITS, such as driving safety support
- Growth of needs for maps for disaster prevention and disaster mitigation of national and local governments
- Expansion of needs for use of location information services by foreigners visiting Japan
- Growth of needs for regional information in local economic vitalization and regional development

Differentiation

Cost leadership

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## ZENRIN GROWTH PLAN 2020

### Shift from “goods” to “activities”

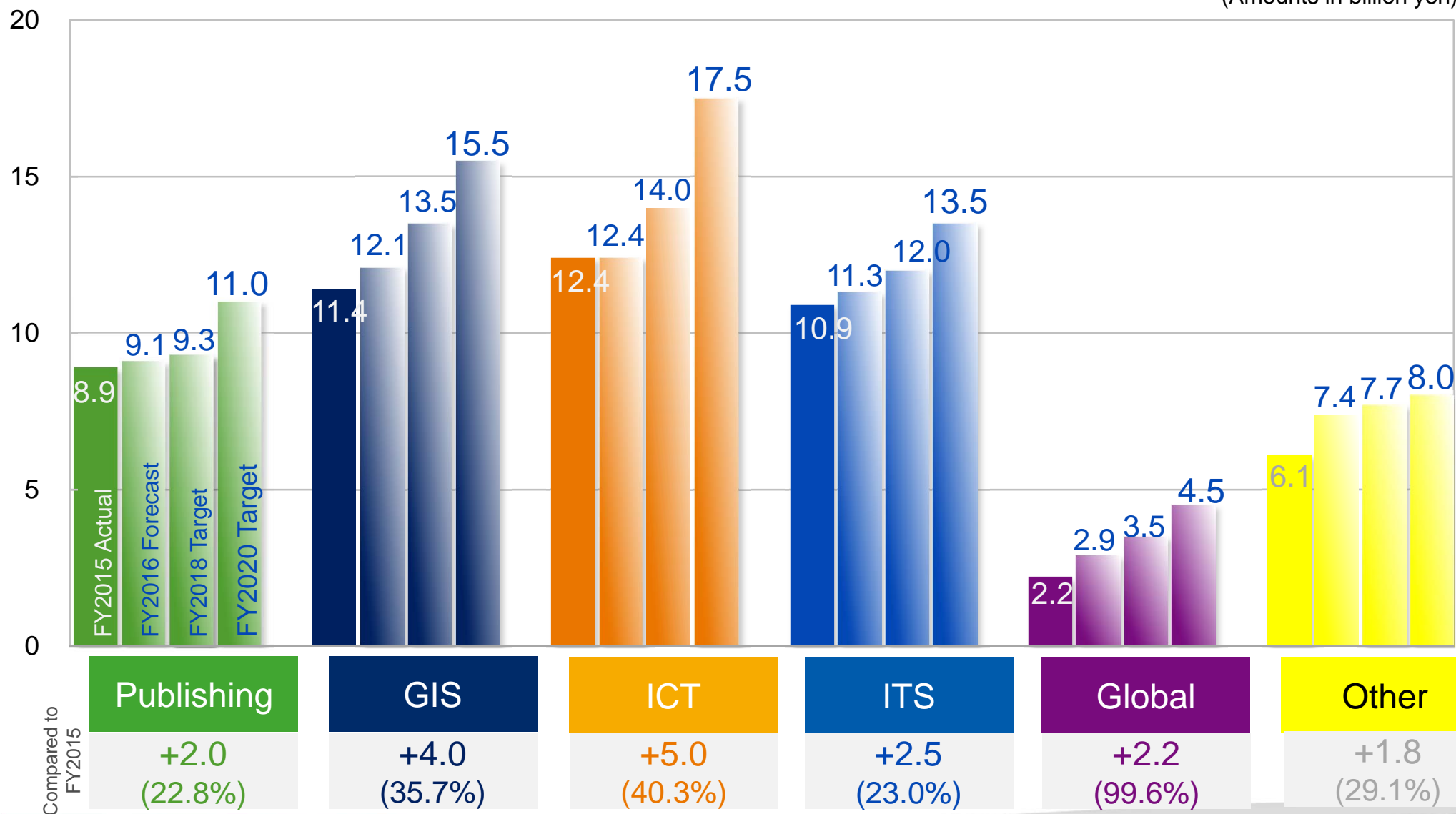
- I. Earnings expansion through development of applications by creating “scenes for using”
- II. Stable operation of 4D Geospatial Information System pursuing “QCDDS”
- III. Reduction of the fixed cost ratio by realizing “productivity reform”

# Target Net Sales by Business under ZGP2020

(Compared to Fiscal 2015)



(Amounts in billion yen)



Business	Publishing	Pursuit of the “activities” of print media
	GIS	Enrichment of concept products
	ICT	Pursuit of the “activities” of IT media
	ITS	“Communications-linked navigation” and “highly-accurate maps”
	Global	Building of business base in emerging markets
	Other	Pursuit of synergies with map database businesses
Production	Achievement of QCDDS through building of new underlying database	

## Pursuit of the “activities” of print media

Shift from flow-type models to stock-type models

◆ Enrichment of easily-accessible on-demand services

Shift from OEM products to ODM products

Creation of markets by looking at maps in a new concept



◆ **Enrichment of easily-accessible on-demand services**

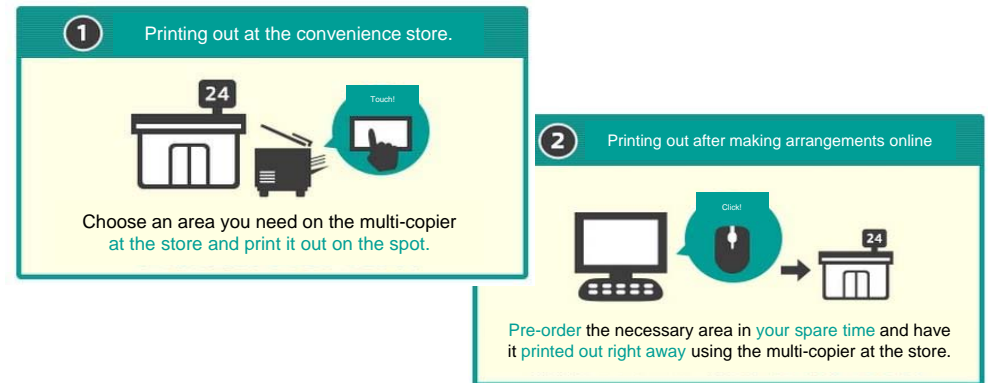
“Easy and reasonable print-out service when needed and for area needed”

Currently available at around 90% of convenience stores nationwide

[Number of convenience stores offering ZENRIN residential map print-out service

Convenience store chain	Launch of service	Number of stores
Seven-Eleven	September 2005	17,569
LAWSON	April 2014	11,606
FamilyMart	May 2014	11,532
CircleKSunkus	October 2014	6,326
<b>Total</b>		<b>47,033</b>

Flow of service



(As of March 2015, surveyed by ZENRIN)


- ◆ Enhancement of convenience through enrichment of contents and usage environment
- ◆ Encourage use through reinforced promotional activities

## Enrichment of concept products

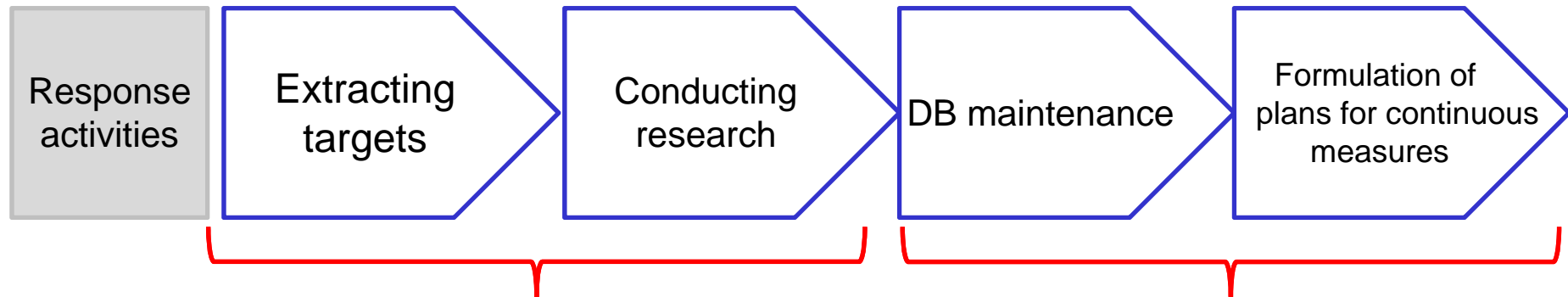
- ◆ Building of the ZENRIN GIS brand through release of products resulting from development of applications and through introduction of new pricing
- ◆ Release of package products featuring a clear map-themed concept
- ◆ Release of entry models for expanding the horizons of GIS use
- ◆ Establishment of local government platform
- ◆ Establishment of data-ring-type business model

- ◆ Building of the ZENRIN GIS brand through release of products resulting from development of applications and through introduction of new pricing

By releasing products with ideas of “scenes for using” in the market, build GIS brand that is easy to choose and use (solution, selection, package)

- ◆ Social issue  
 “The rise in vacant houses (approximately 8.2 million houses nationwide)”  
 (as of October 2013)
 
 “Act on special measures concerning promotion of countermeasures for vacant houses, etc.”  
 (Effective February 2015)

- ◆ Countermeasures for vacant houses, etc. by local governments



Work for grasping the present situation  
 (about 40 local governments \*Results for fiscal 2015)

Maintenance and management work  
 (solution)

◆ Release of package products featuring a clear map-themed concept

Acceleration of development of applications for GIS package products specializing in a business category or business content

◆ “Business category series” Series (1)

Product name: ZENRIN GIS Package Real Estate

Date of release: April 2013

◆ “Business category series” Series (2)

Product name: ZENRIN GIS Package Construction

Date of release: April 2014



Plan to increase product lineup from  
**2 to 10 titles by 2020**

◆ Establishment of local government platform

Promotion of disaster relief agreement

Proposing utilization of map information for disaster prevention/mitigation

◆ Successful conclusion of “disaster relief agreement” with

**130**

Local governments ~~1,718~~

(as of March 31, 2015)



Signing ceremony with Yokohama City (September 4, 2013)

[Overview of agreement]

- Provision of wide area map
- Provision of printed residential maps
- Provision of residential map online distribution service “ZNET TOWN”
- Map reproduction permission
- Exchange of information



by 2020

Aim to sign agreements with 1,000 local governments

## Pursuit of the “activities” of IT media

Enhancement of map DB utility value  
through provision of 4D Geospatial Information contents

Launch of advertising revenue sharing model in web business

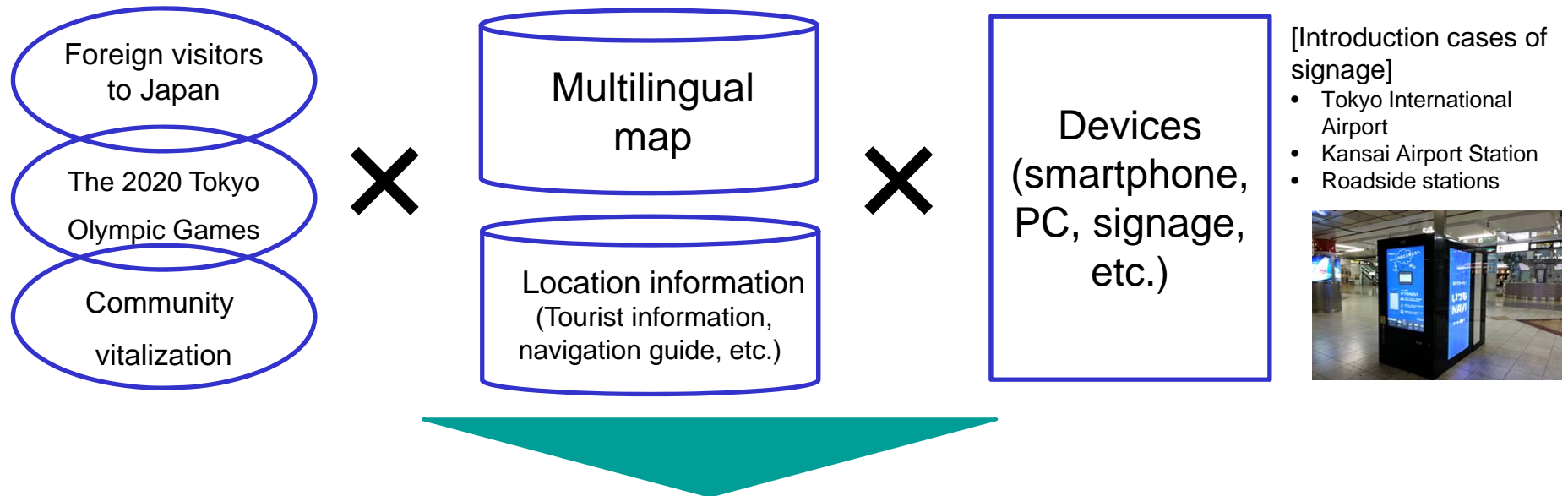
◆ Digital signage market penetration  
through provision of 4D Geospatial Information map DB

◆ Expansion of location information business in “tourism”  
backed by the sector’s growth potential

Launch of 3D solutions through expansion of scope of utilization of 3D data

◆ Digital signage market penetration through provision of 4D Geospatial Information map DB  
Expansion of location information business in “tourism” backed by the sector’s growth potential

The number of foreign visitors to Japan in 2014 broke 13 million mark!  
To reach 20 million in 2020!



Provision of multilingual location information solution with an eye to “increase in the number of foreign visitors to Japan”

## “Communications-linked navigation” and “highly-accurate maps”

Enhancement of map DB utility value  
through provision of 4D Geospatial Information contents

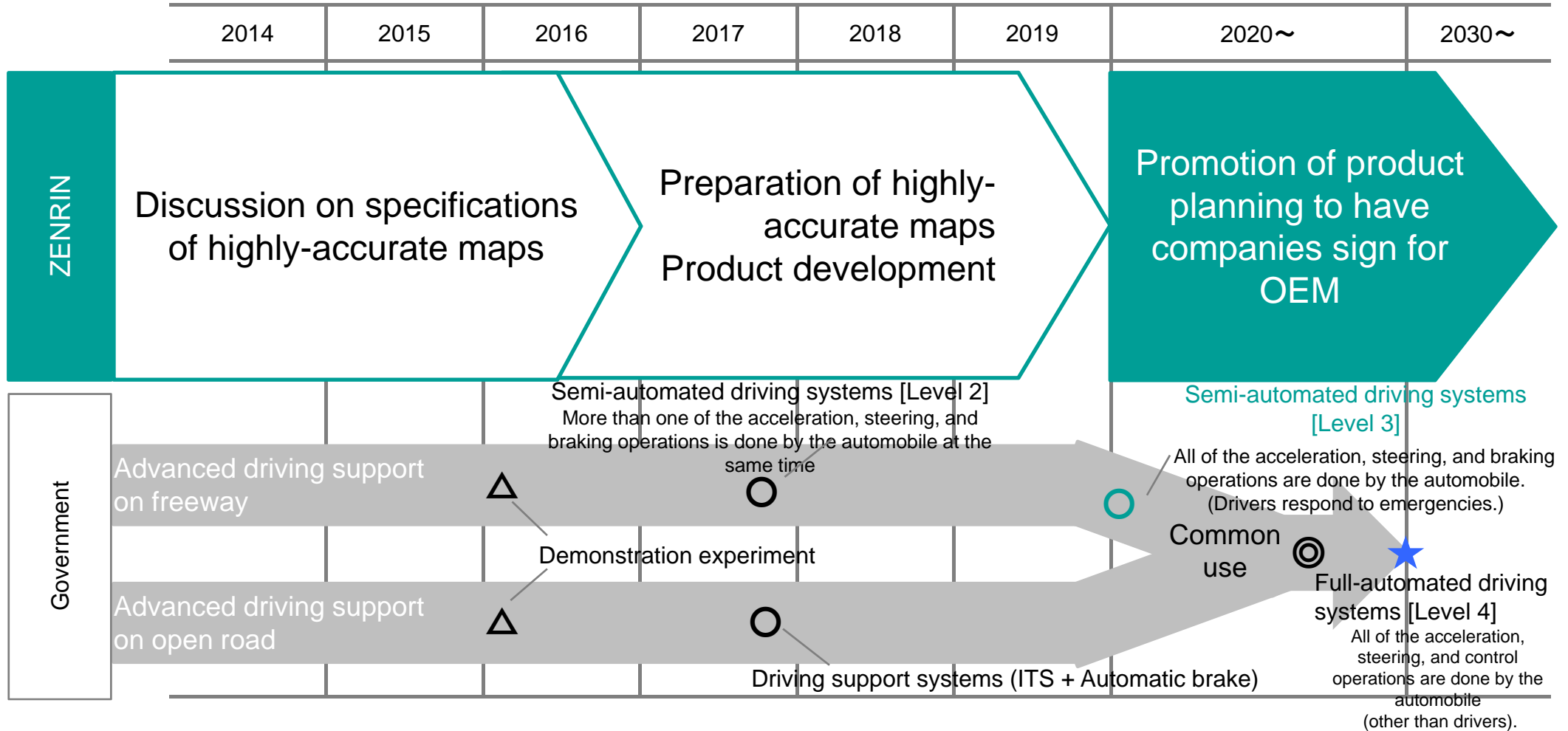
Proposal of comprehensive services that combine map DB and apps

Gaining of overseas manufacturers  
through 3D map licensing and authoring contracts

◆ Establishment of technologies and promotion of product planning for highly-accurate maps



◆ Establishment of technologies and promotion of product planning for highly-accurate maps



\*Excerpt from "Roadmap related to automated driving systems" of Cross-ministerial Strategic Innovation Promotion Program (SIP) of the Cabinet Office

## Building of business base in emerging markets

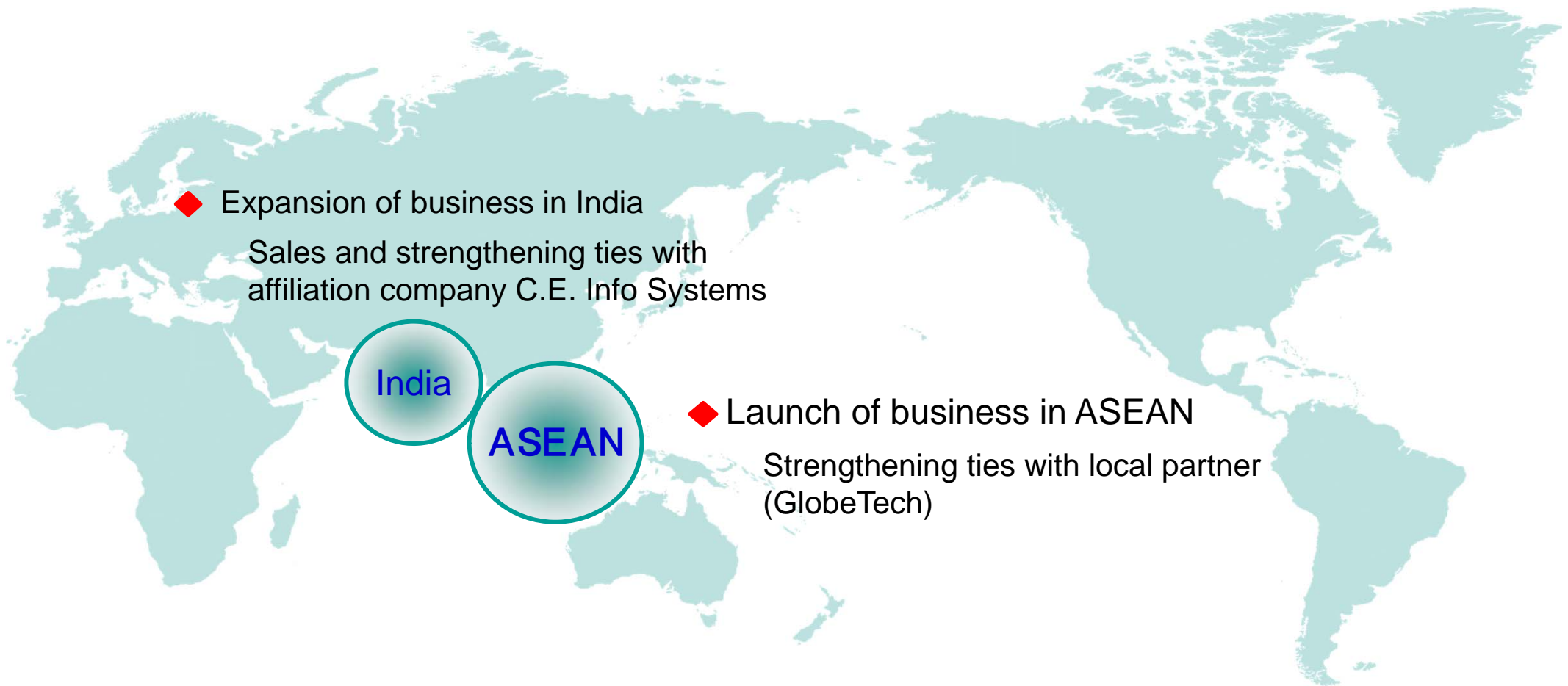
◆ Expansion of business in India

◆ Launch of business in ASEAN

Global expansion of navigation apps and securing of authoring contracts

Commencement of business feasibility testing for launch of overseas high-accuracy business

Launch of overseas GIS



◆ Expansion of business in India  
Sales and strengthening ties with  
affiliation company C.E. Info Systems

◆ Launch of business in ASEAN  
Strengthening ties with local partner  
(GlobeTech)

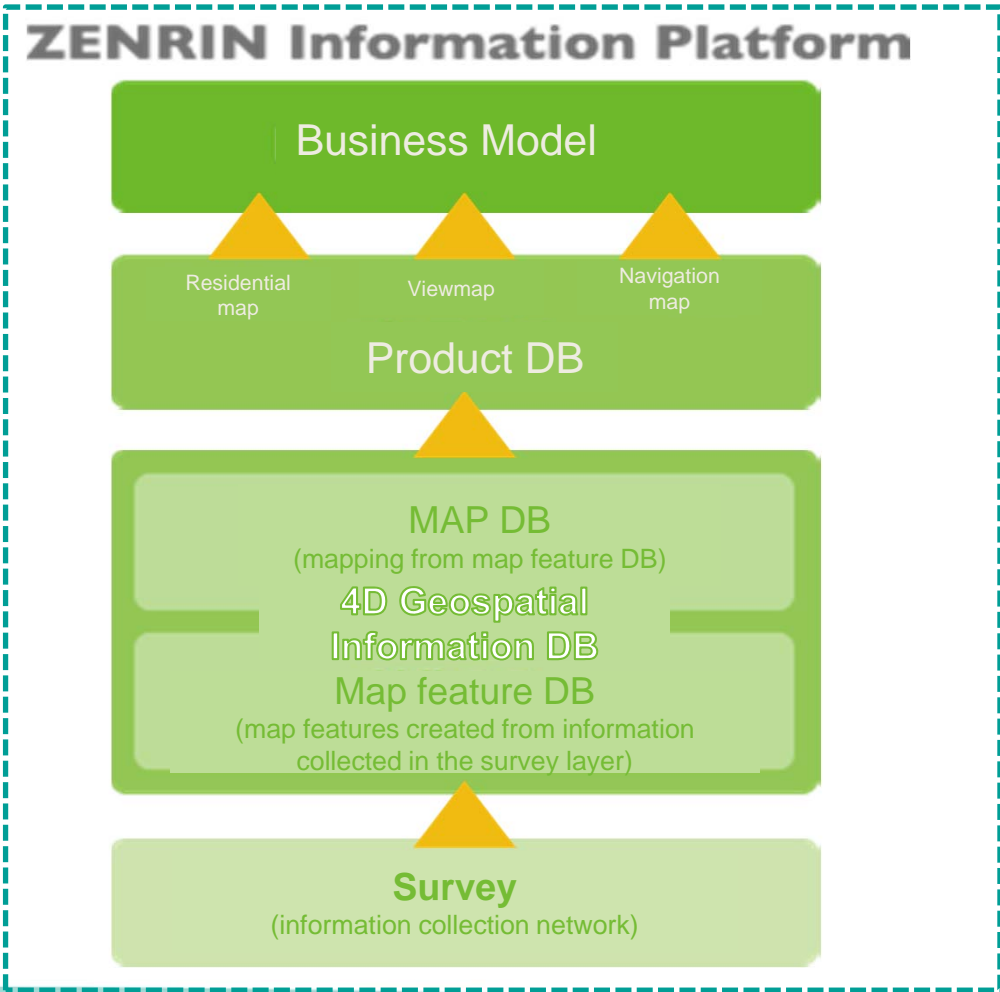
## Pursuit of synergies with map database businesses

Stability of general printing business

Expansion of in-ship advertising business

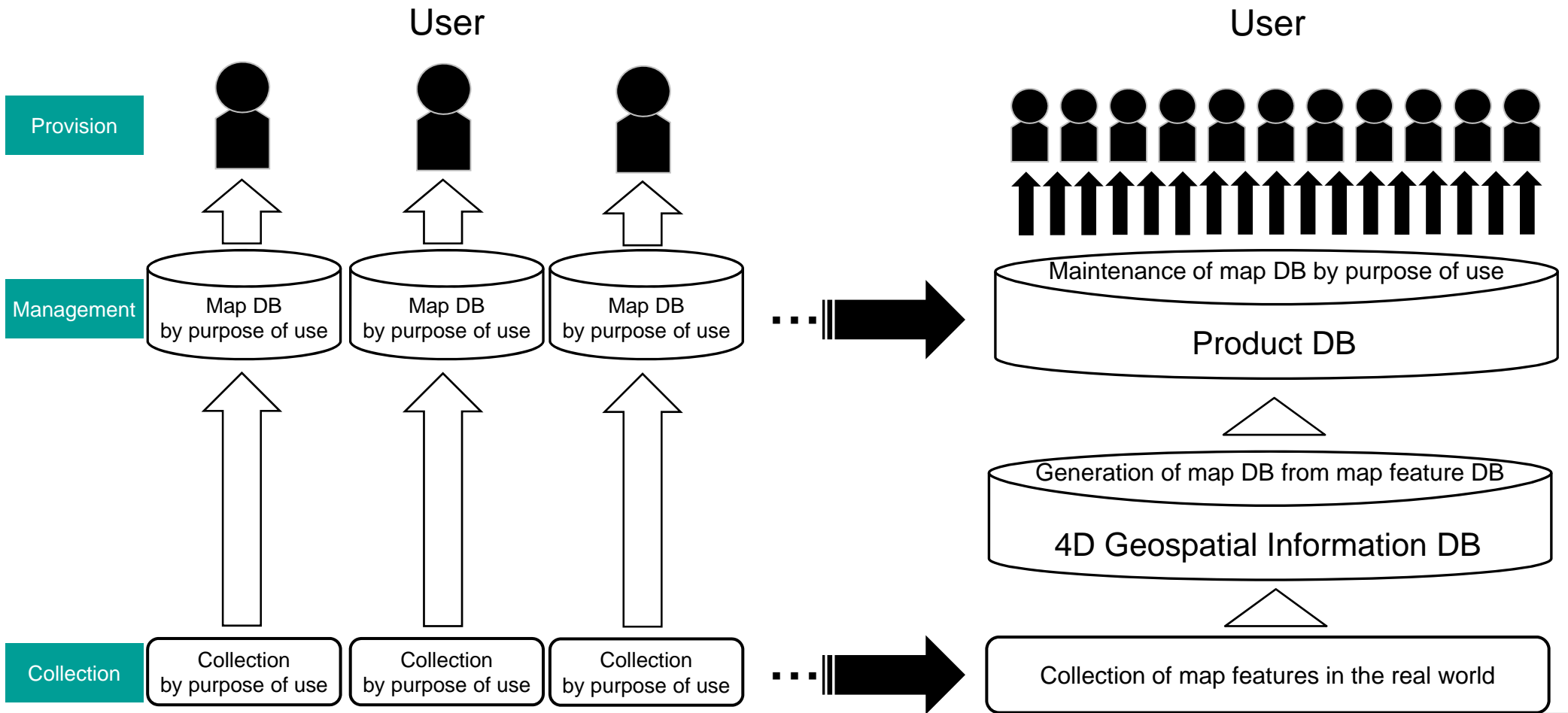
Sales expansion through synergies with location information business

# Achievement of QCDDS through building of new underlying database



- Q** : Quality
- C** : Cost
- D** : Delivery
- D** : Diversity
- S** : Scalability

# Achievement of QCDDS through building of new underlying database



# ZGP2020 Numerical Targets

	FY2015 Actual	FY2016 Forecast	FY2018 Target	FY2020 Target
Consolidated Net Sales	52.2 bn yen	55.5 bn yen	60.0 bn yen	70.0 bn yen
Consolidated Operating Income (Margin)	2.3 bn yen (4.6%)	2.5 bn yen (4.5%)	5.0 bn yen (8.3%)	10.0 bn yen (14.2%)
<b>ROE</b> (Return on equity)	3.9%	4%	8%	12% or higher
<b>DOE</b> (Dividend on equity on a consolidated basis)	3.0%	3% or higher	3% or higher	3% or higher

## III. Earnings Forecast for Fiscal 2016



# Earnings Forecast for Fiscal 2016

## Earnings Forecast for Fiscal 2016

ZGP2020 Initial Fiscal Year <increase in sales and increase in income>

Securing of earnings from existing businesses and promotion of 4D Geospatial Information DB maintenance

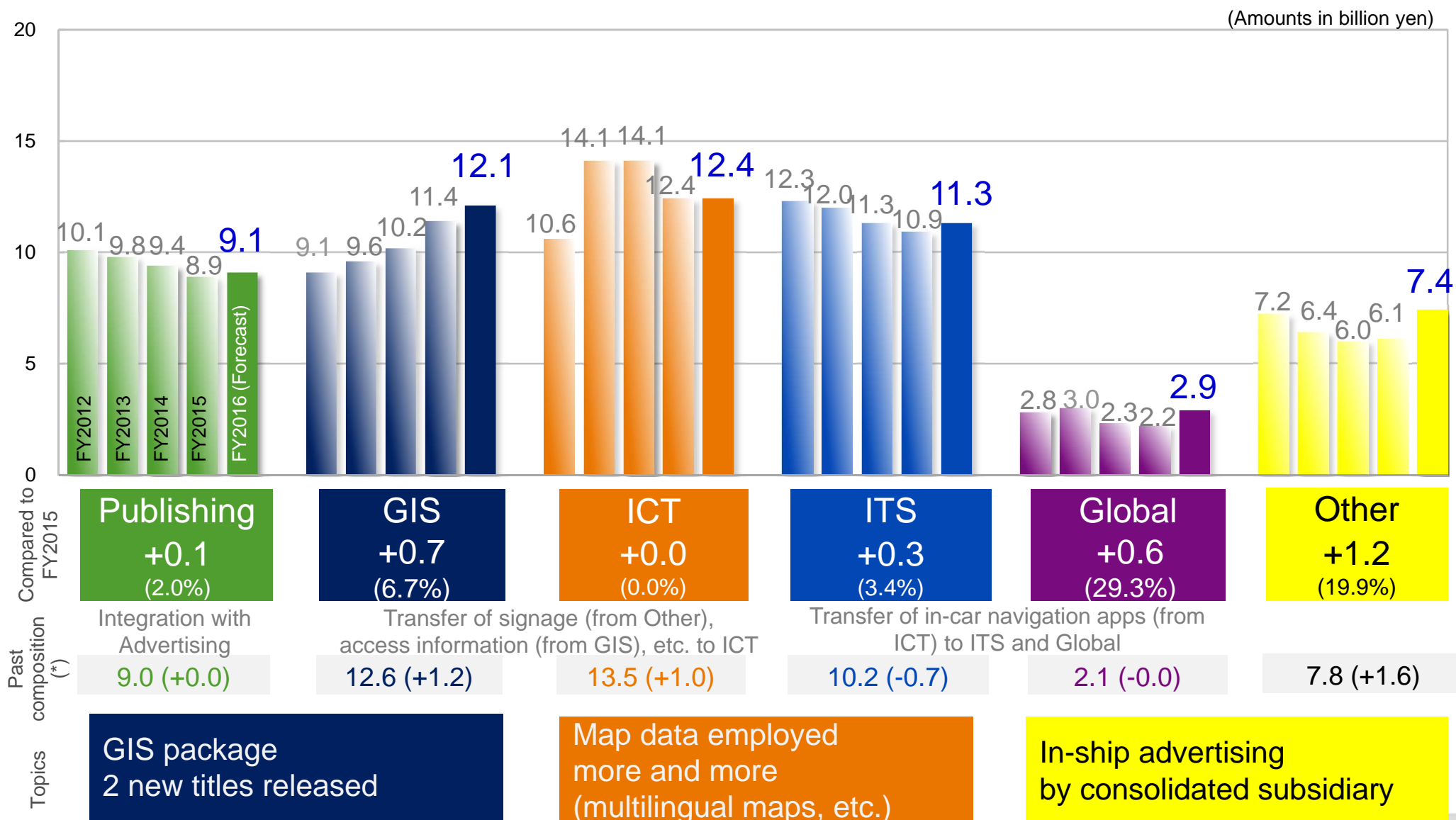
Increase in sales due to securing of earnings from “GIS Business” and the “Other Business” of a consolidated subsidiary (became a subsidiary in the second half of fiscal 2015)

Promotion of 4D Geospatial Information DB maintenance, while lowering existing map DB maintenance costs through productivity enhancement

(Amounts in million yen)

	FY2015 Actual	FY2016 Earnings Forecast	Compared to FY2015	% of Change
Net Sales	52,286	55,500	3,213	6.1
Operating Expenses	49,897	53,000	3,102	6.2
Operating Income	2,389	2,500	110	4.6
Operating Margin	4.6%	4.5%	-0.1pt	—
Ordinary Income	2,751	2,800	48	1.8
Profit Attributable to Owners of Parent	1,464	1,500	35	2.4

# Net Sales by Business under ZGP2020



(\*) Past composition: Net sales compiled based on the business composition used until fiscal 2015 (compared to fiscal 2015)

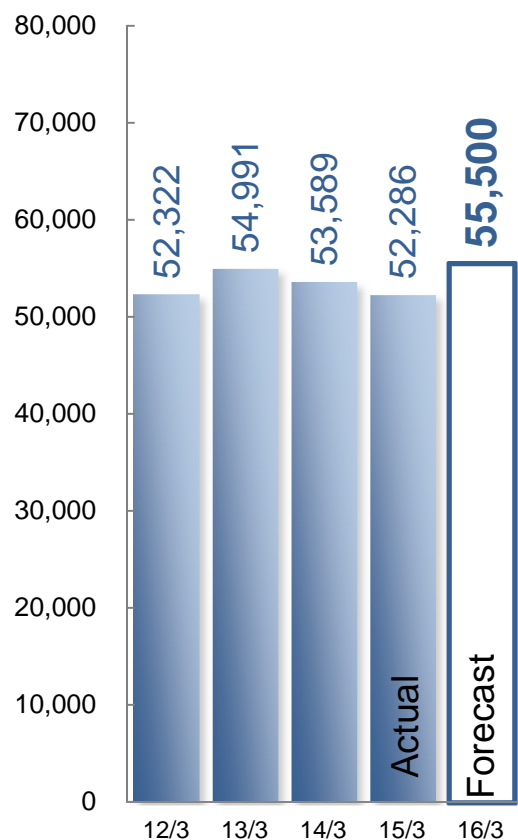
# Appendix

## FY2016 Earnings Forecast

- 1) Changes in Net Sales and Income
- 2) Segment Information
- 3) Amount of Capital Investment, Depreciation and R&D Costs
- 4) Changes in Composition of Net Sales by Quarter

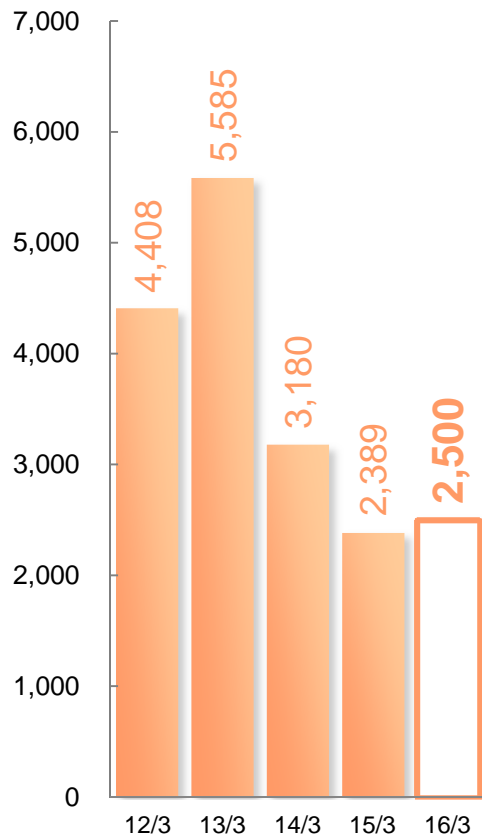
# 1) Changes in Net Sales and Income

## Net Sales



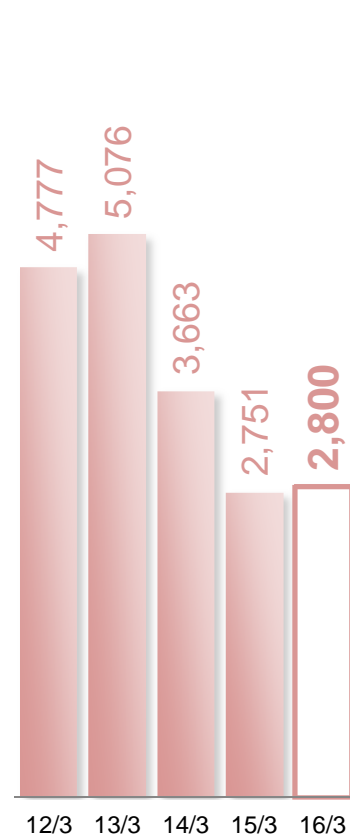
Increase in sales for first time in 3 periods

## Operating Income



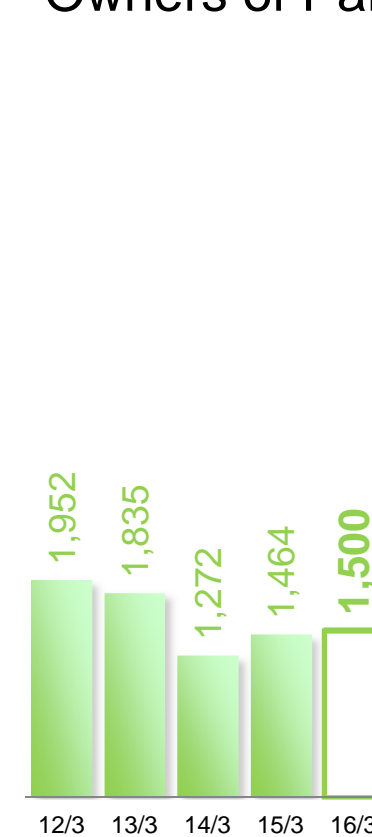
Increase in income for first time in 3 periods

## Ordinary Income



Increase in income for first time in 3 periods

## Profit Attributable to Owners of Parent



Increase in income for 2 consecutive periods

Sales  
Composition

83.8%

## 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



6.4%

## 2. General Printing Segmen

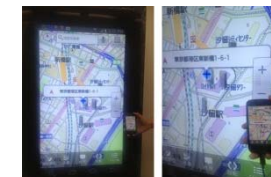
**Main Items:** Commercial printing



9.8%

## 3. Other

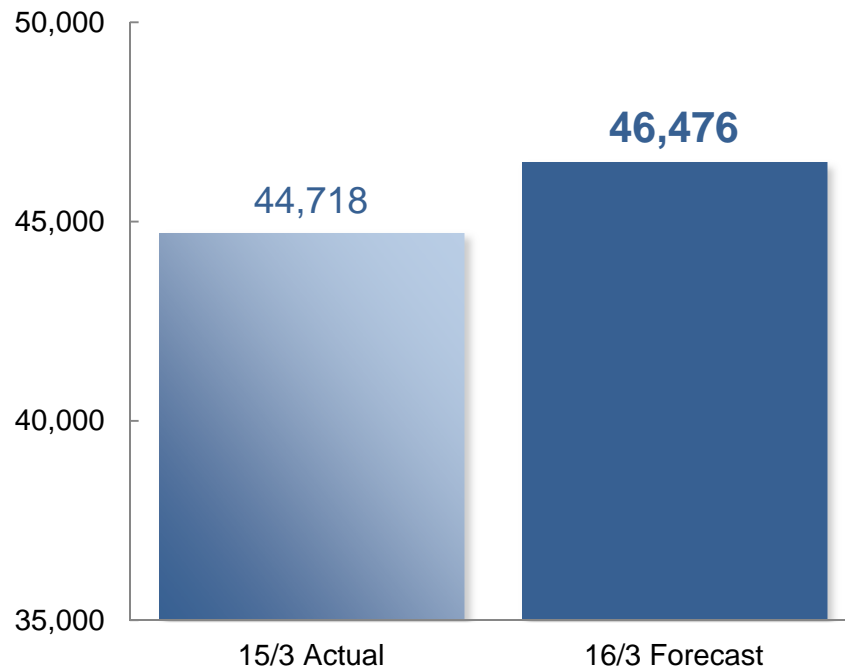
**Main Items:** Purchased products, digital signage, direct mail delivery services, in-ship advertising



## Net Sales

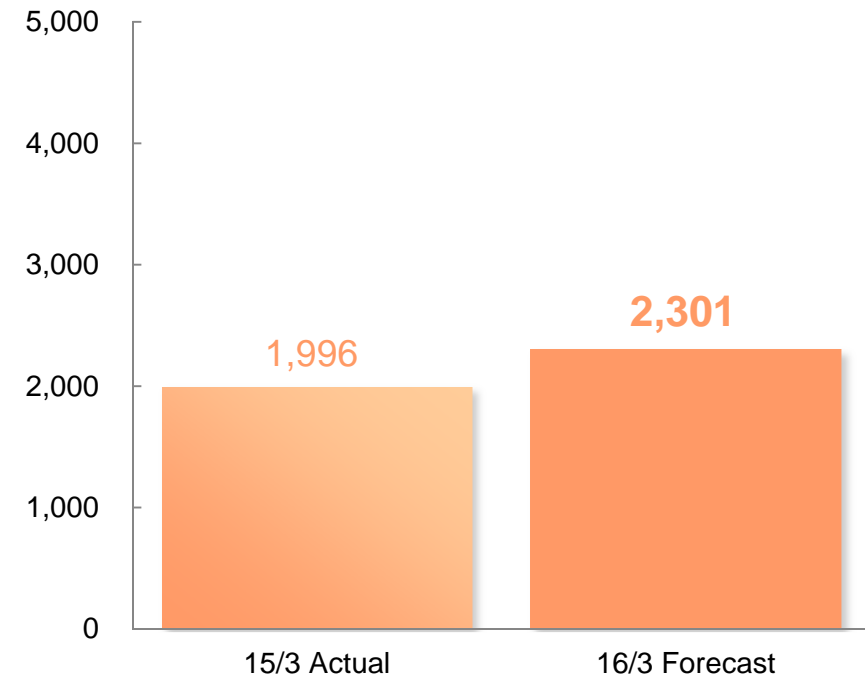
Compared to  
FY2015

Up 1,758 (+3.9%)



## Operating Income

Up 304 (+15.2%)

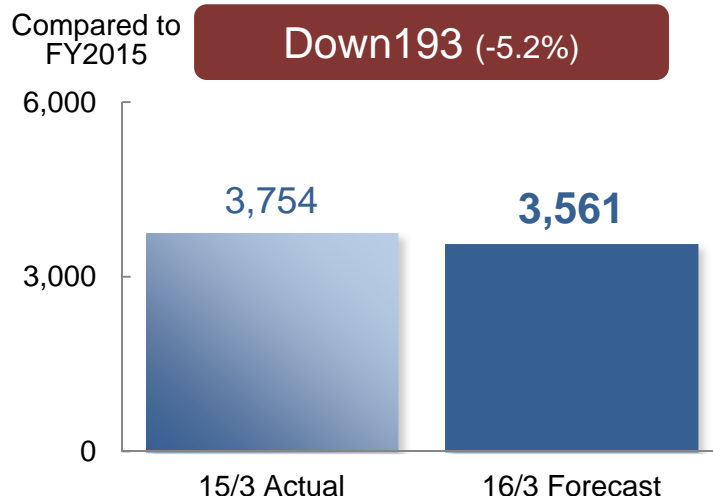


## 2) General Printing Segment, and Other

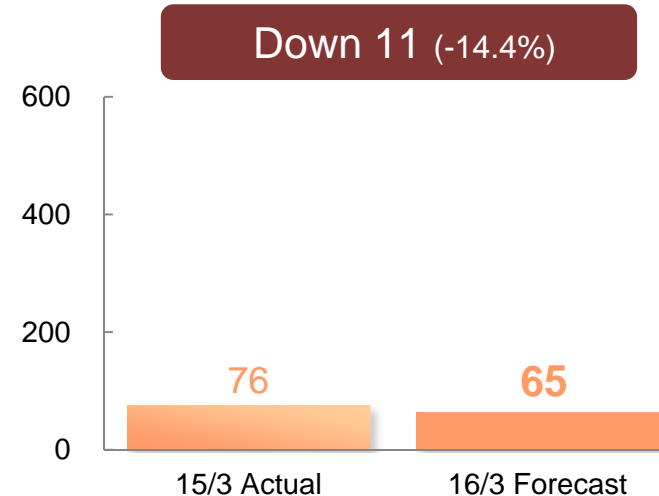
(Amounts in million yen)

General Printing Segmen

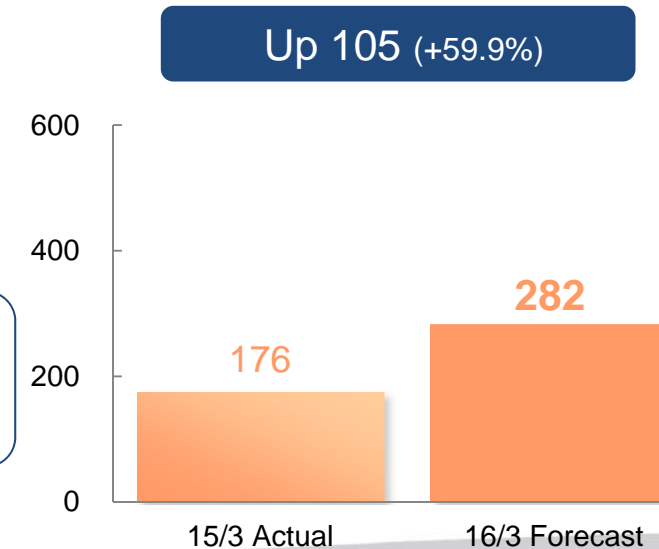
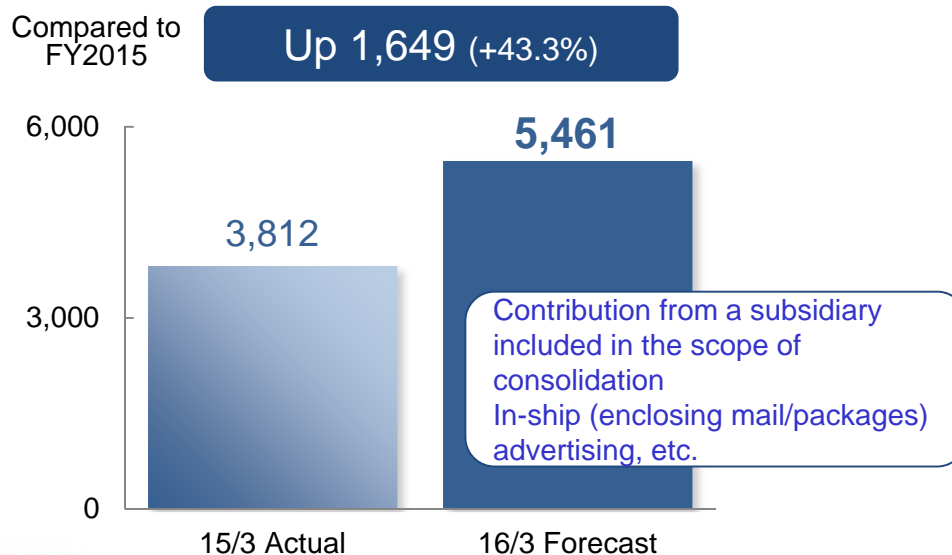
### Net Sales



### Operating Income

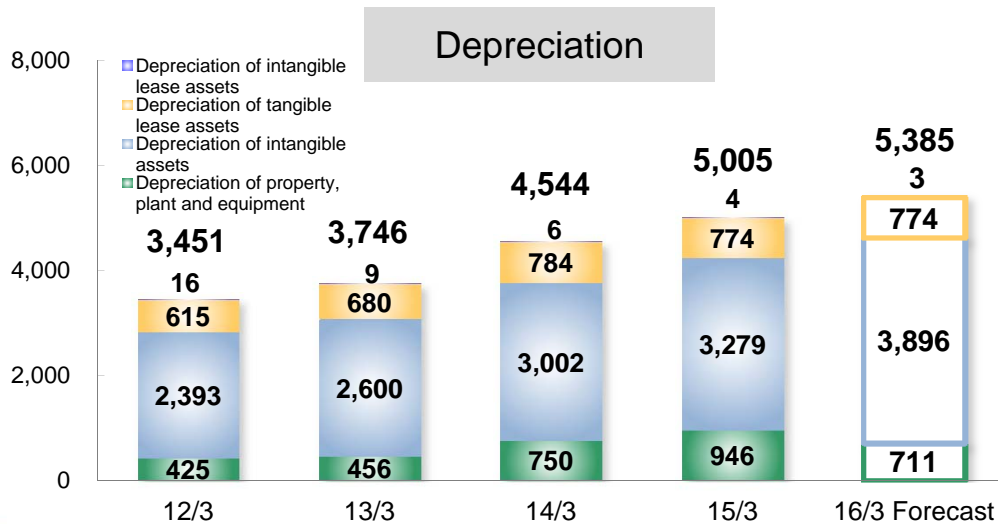
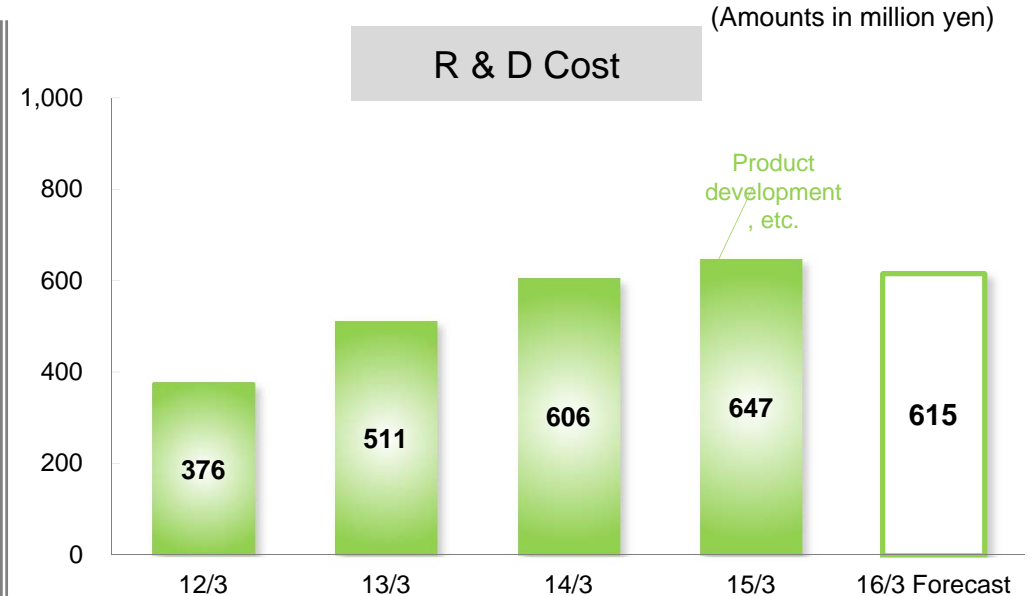
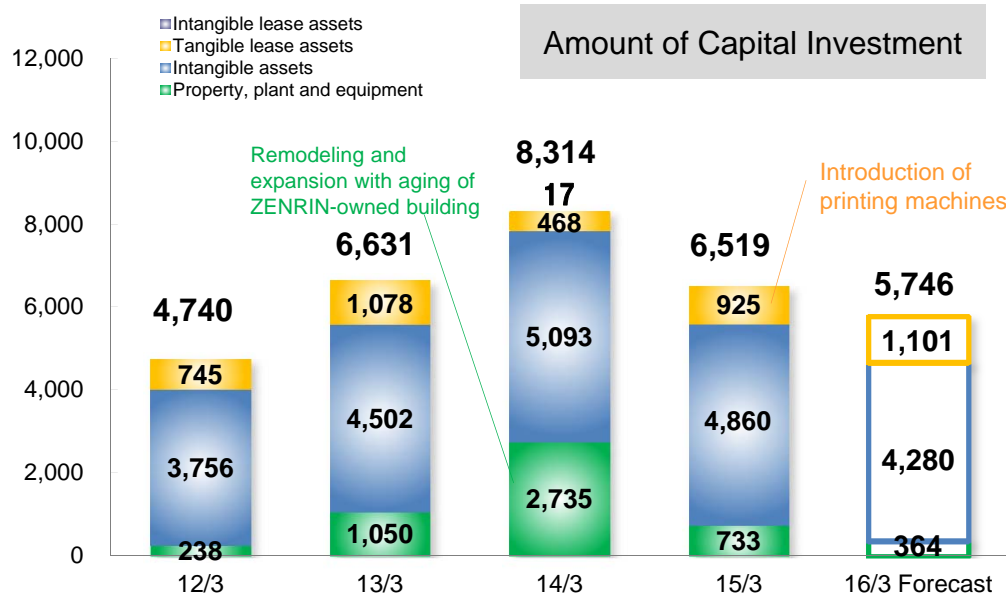


Other



### 3) Amount of Capital Investment, Depreciation and R&D Costs

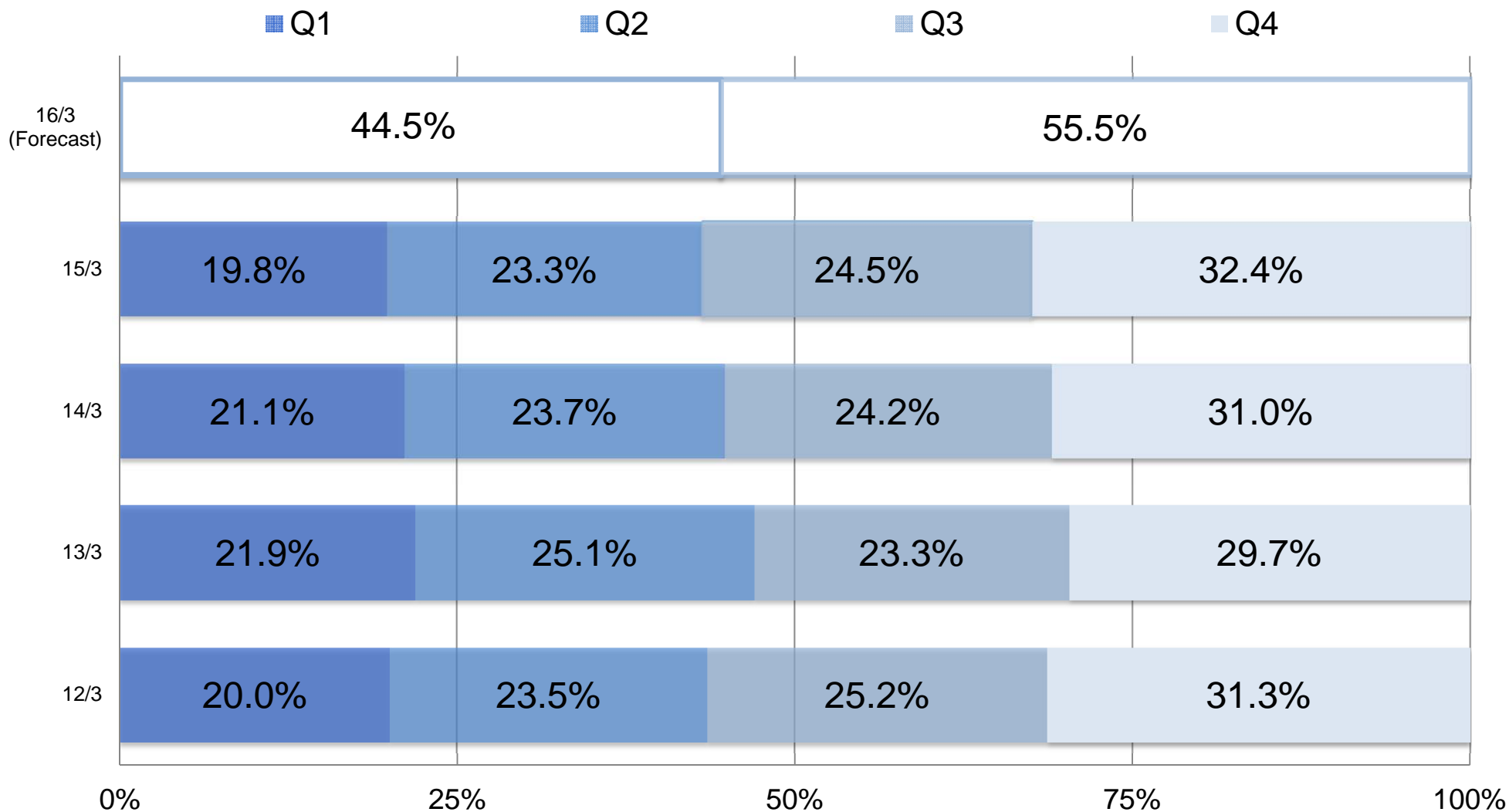
Briefing on Results for FY2015





# 4) Changes in Composition of Net Sales by Quarter

Briefing on Results for FY2015



# 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](mailto:zenrin-ir@zenrin.co.jp)