

ZENRIN

Securities Code: 9474

**Results for First Quarter of
Fiscal 2017** (Year Ending March 31, 2017)

July 28, 2016

ZENRIN CO.,LTD.

Maps to the Future

1. Overview of Results for First Quarter
2. Changes in Net Sales, Income and Profit
3. Causes for Change in Operating Income
4. Segment Information
5. Net Sales by Business under
Medium- to Long-Term Business Plan ZGP2020
6. 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 First Quarter

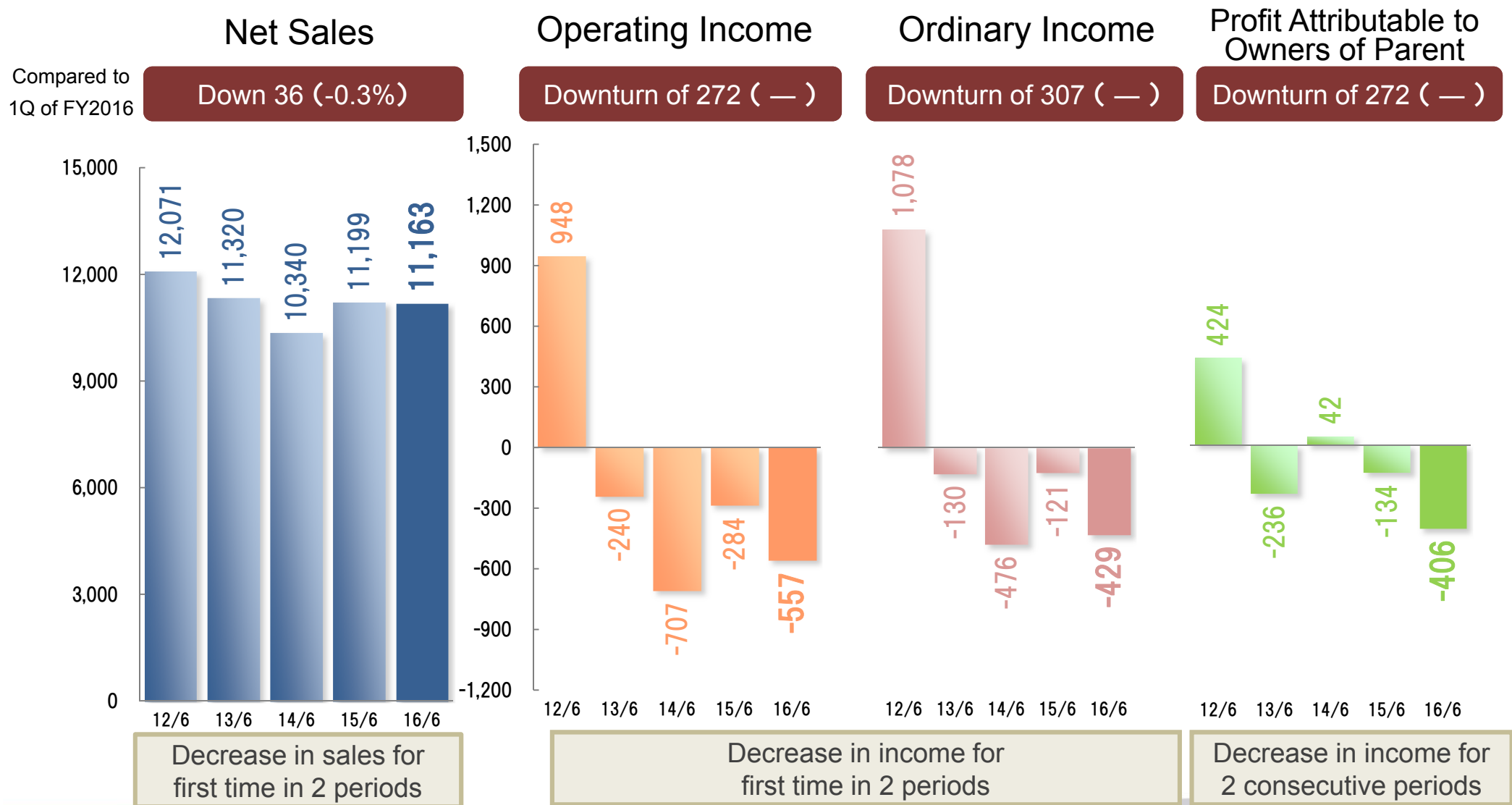
Key Points of Results for First Quarter of Fiscal 2017

- Robust sales related to GIS-utilizing residential map databases, despite the continuing decrease in the number of fee-paying subscribers to services for smartphones related to ICT.
- Increases were reported in the amortization of the ZENRIN integrated geospatial system and the costs of product development, decrease in operating Income and Ordinary Income for the first time in second periods and decrease in profit attributable to owners of parent for the second consecutive periods.

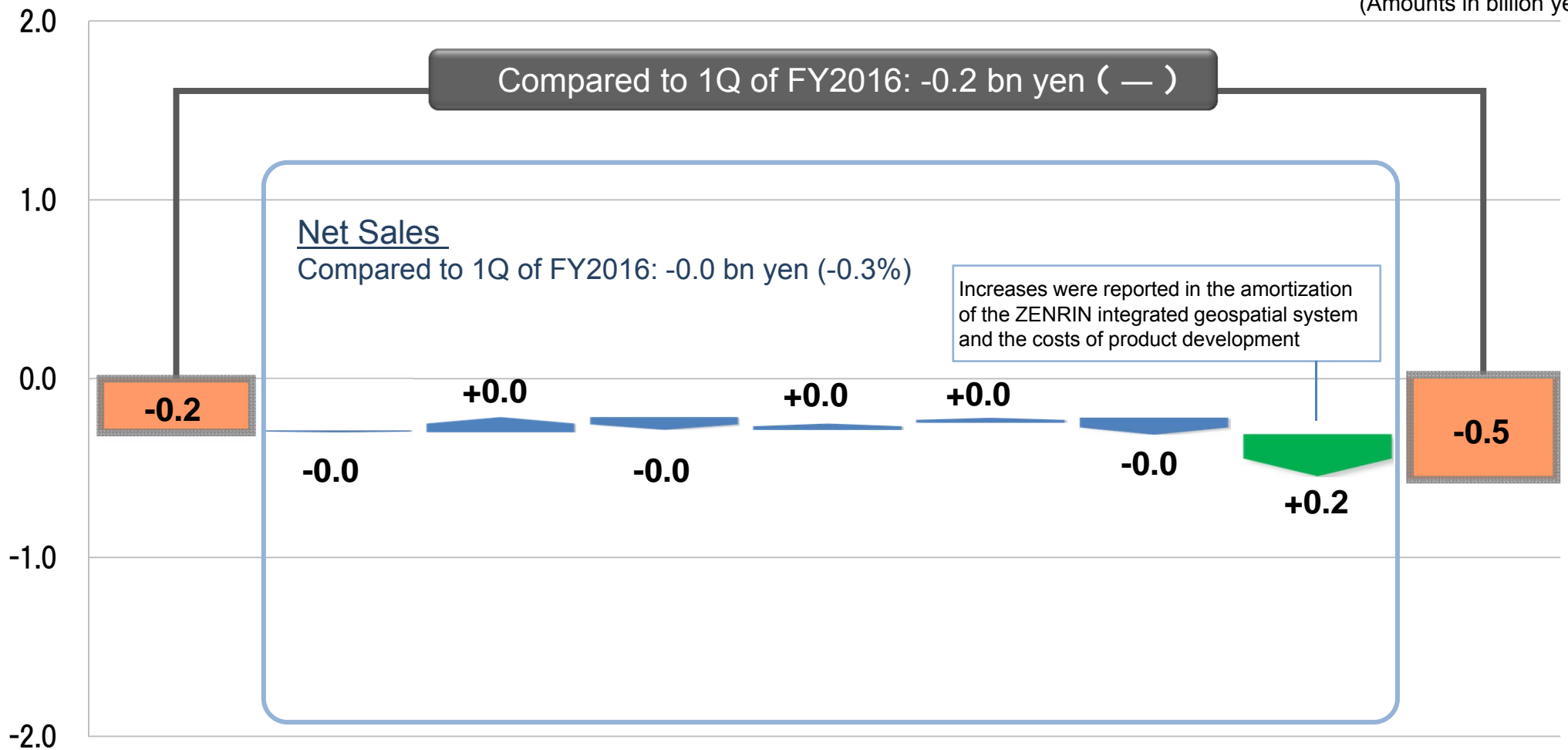
(Amounts in million yen)

	1Q of FY2016 Actual	1Q of FY2017 Actual	Compared to 1Q of FY2016	% of Change
Net Sales	11,199	11,163	-36	-0.3
Operating Expenses	11,484	11,720	236	2.1
Operating Income	-284	-557	-272	—
Operating Margin	-2.5%	-5.0%	-2.5pt	—
Ordinary Income	-121	-429	-307	—
Profit Attributable to Owners of Parent	-134	-406	-272	—

2. Changes in Net Sales, Income and Profit



3. Causes for Change in Operating Income



15/6	Publishing Business	GIS Business	ICT Business	ITS Business	Global Business	Other Business	Operating Expenses	16/6
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4. Segment Information

Sales
Composition

82.5%

1. Map Database Segment

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



7.4%

2. General Printing Segment

Main Items: Commercial printing



10.1%

3. Other

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



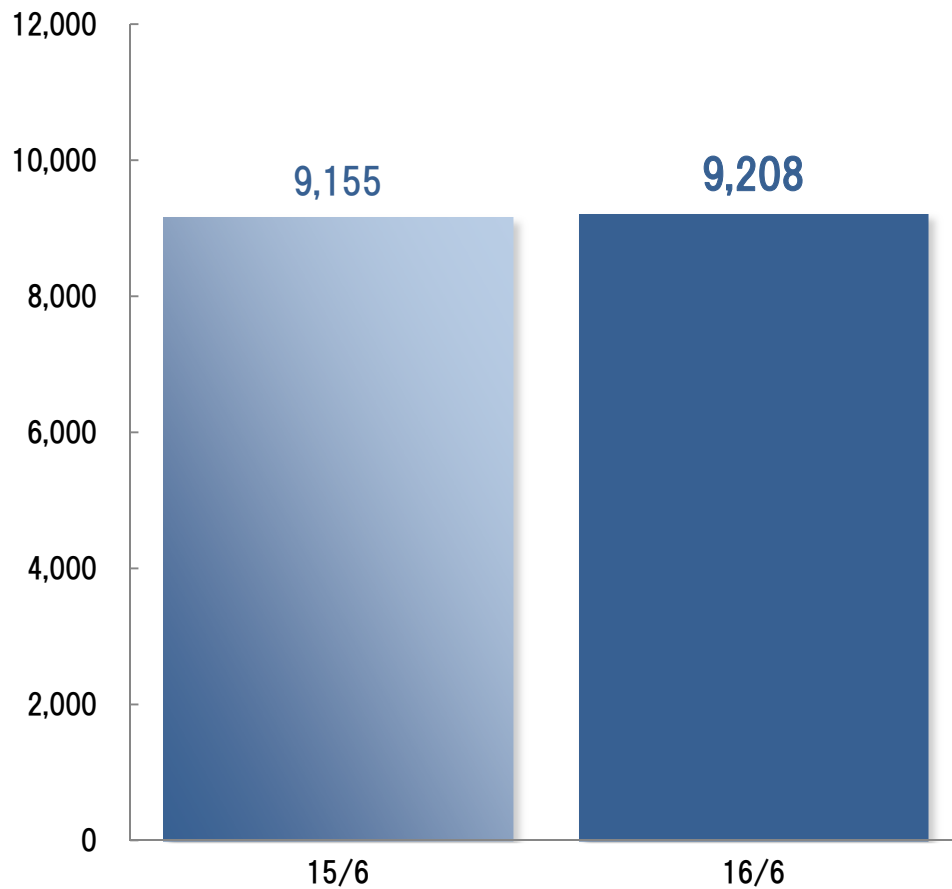
4.-(1) Map Database Segment

(Amounts in million yen)

Net Sales

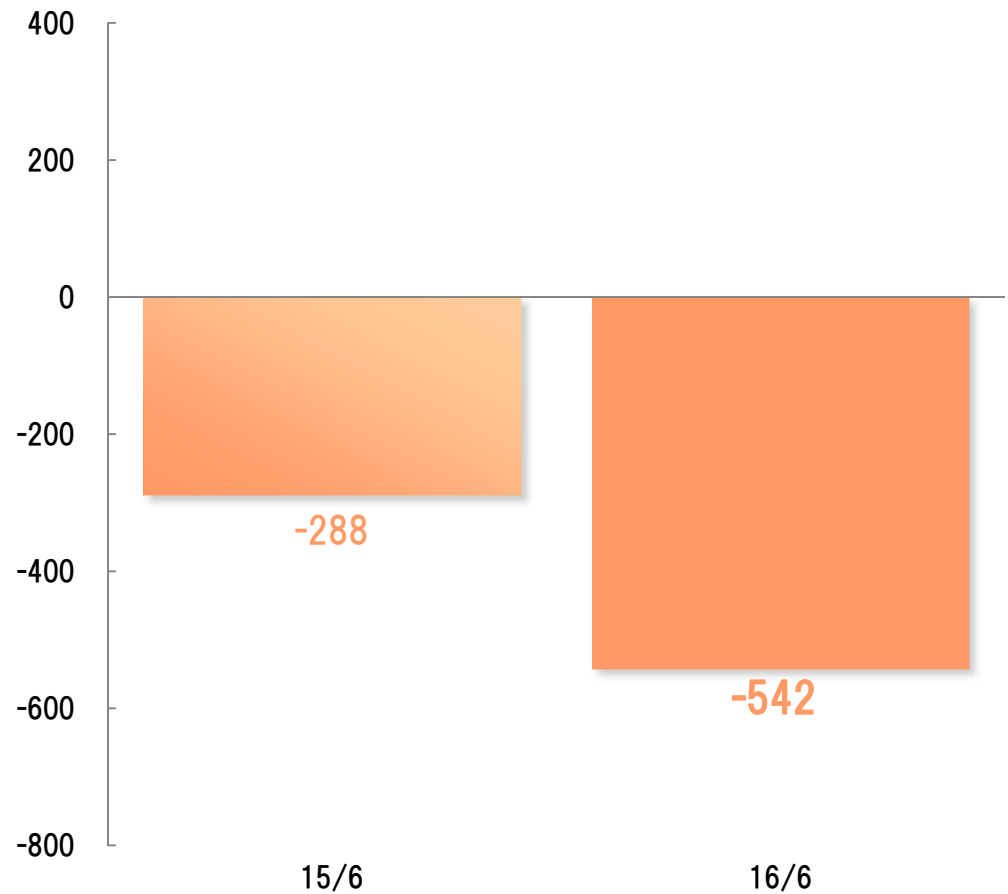
Compared to
1Q of FY2016

Up 53 (0.6%)



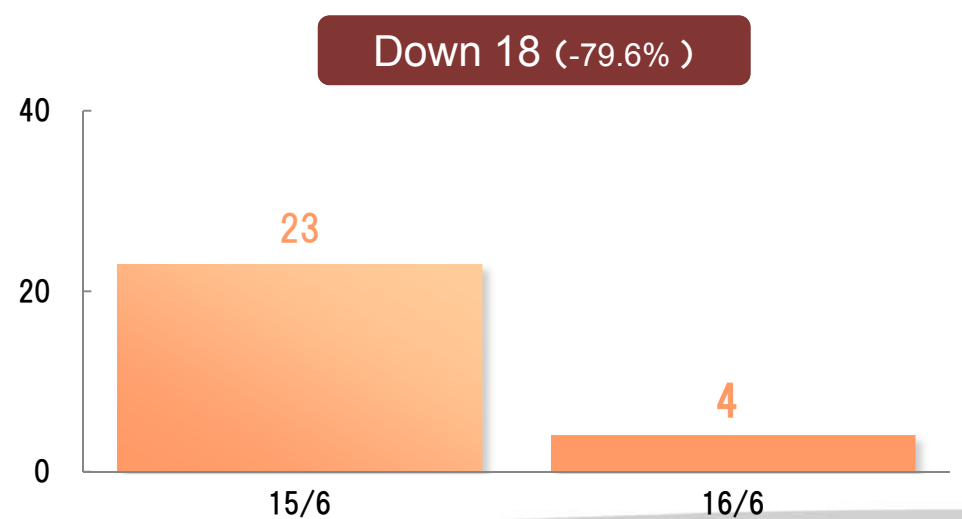
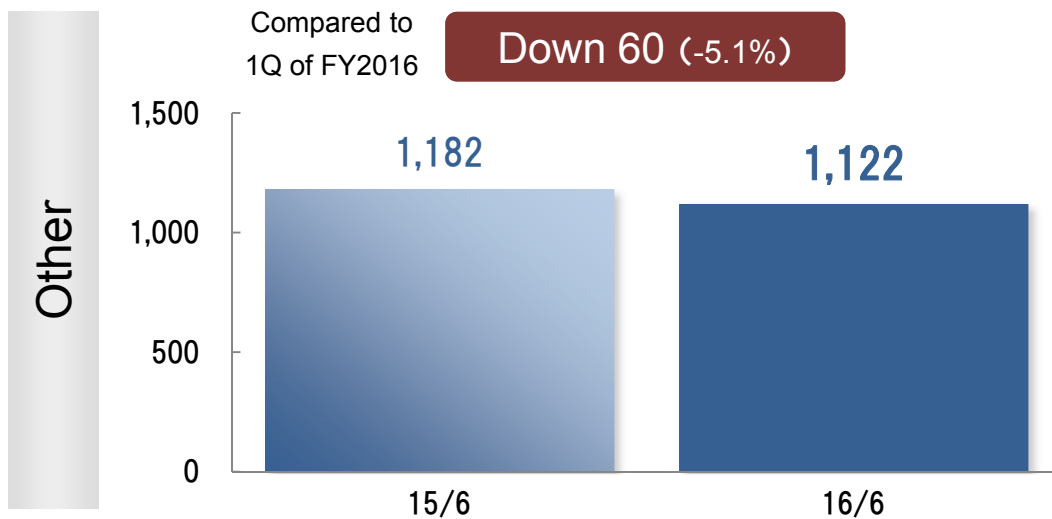
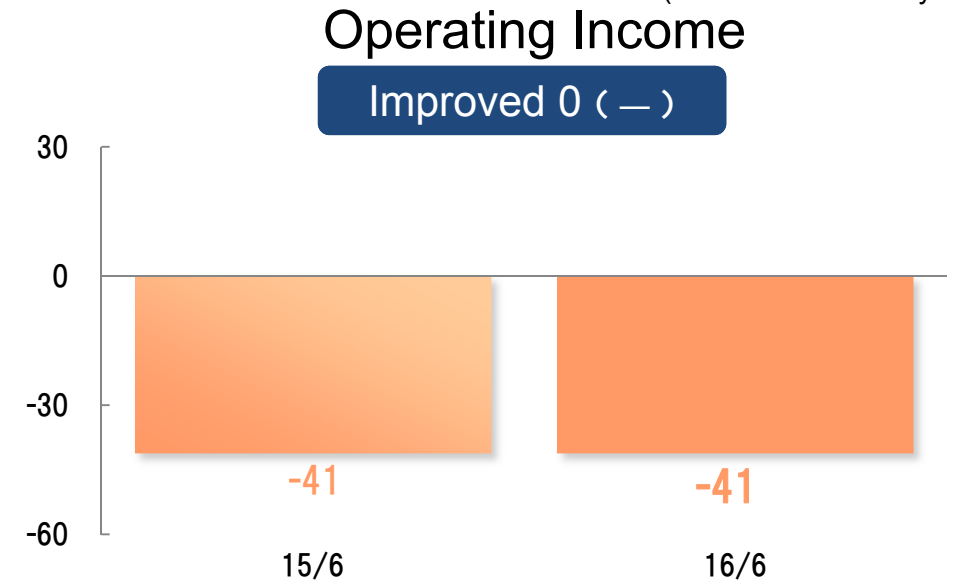
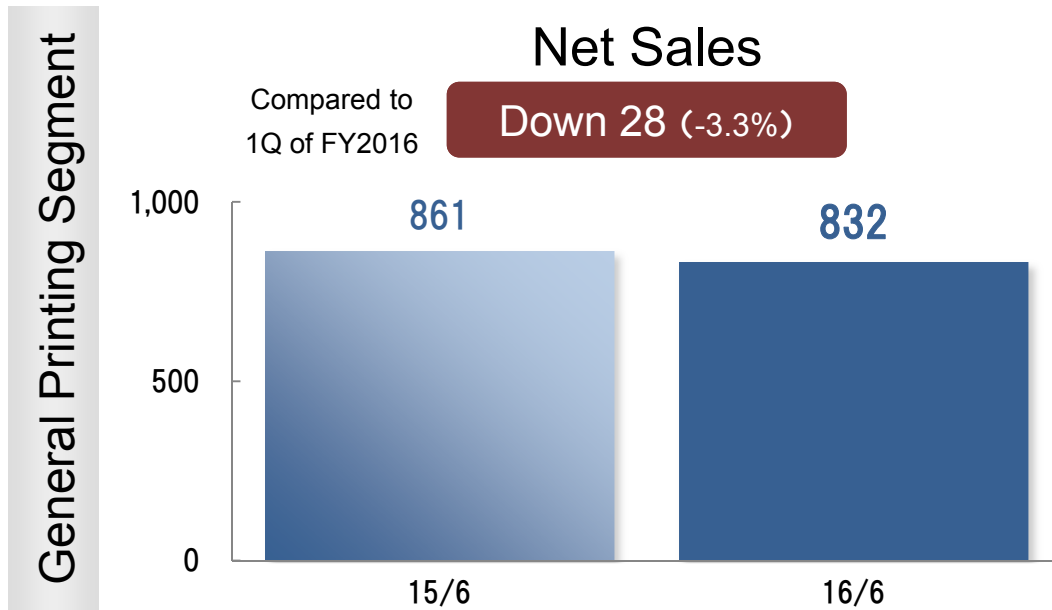
Operating Income

Downturn of 254 (—)



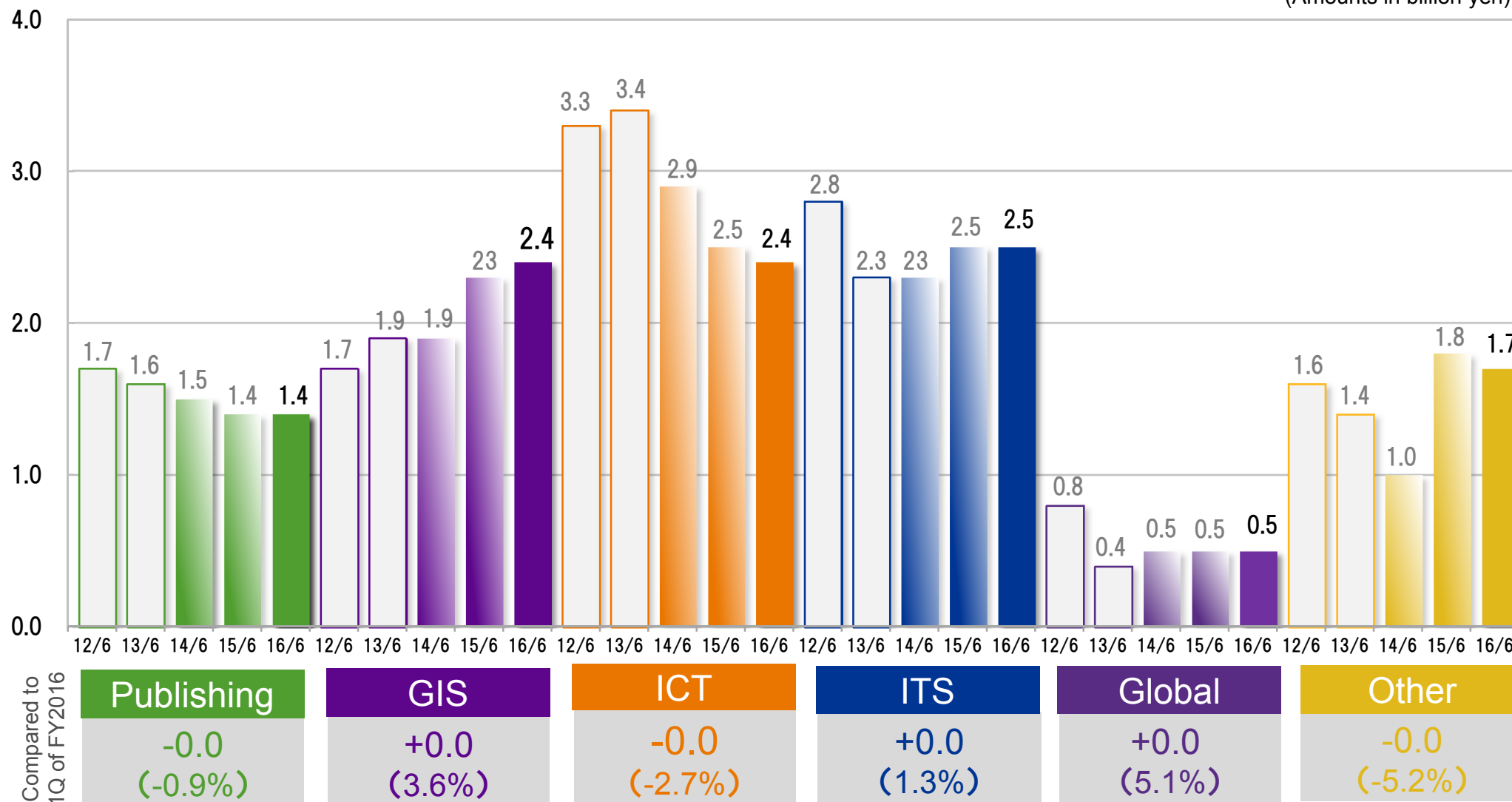
4.-(2) General Printing Segment, and Other

(Amounts in million yen)



5. Net Sales by Business under Medium- to Long-Term Business Plan ZGP2020

(Amounts in billion yen)

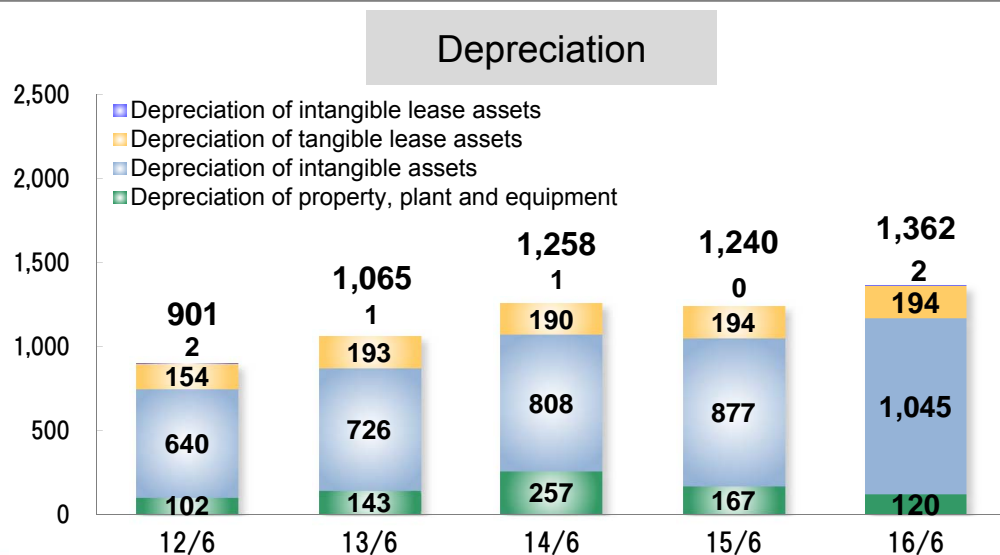
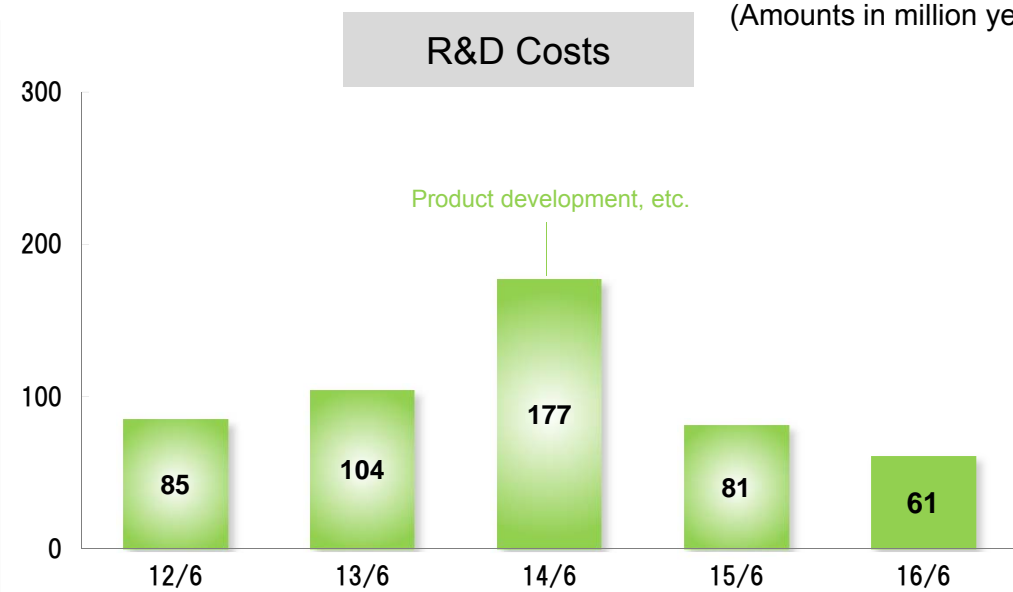
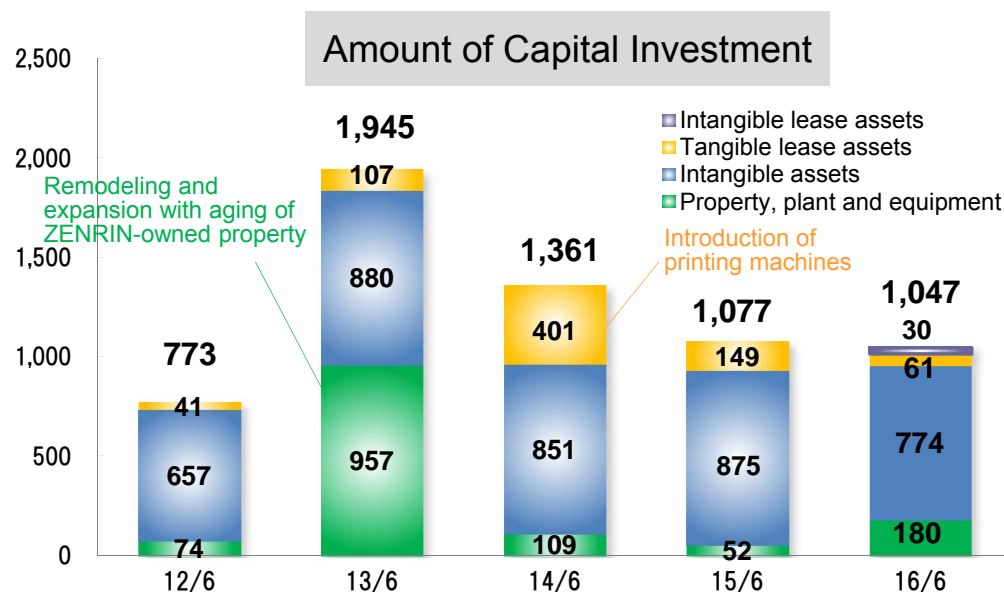


* Net sales for the first quarter of fiscal 2013 (period ended June 2012) and first quarter of fiscal 2014 (period ended June 2013), which are the outlined open bars on the bar graph, are net sales compiled based on the business composition under ZGP2015.

6. Appendix (Amount of Capital Investment, Depreciation and R&D Costs)

Results for First Quarter of Fiscal 2017

(Amounts in million yen)



6. Appendix (Earnings Forecast for Fiscal 2017)

Results for First Quarter of Fiscal 2017

(Amounts in million yen)

Earnings Forecast for First 2 Quarters of Fiscal 2017

	First 2Qs of FY2016 Actual	First 2Qs of FY2017 Forecast	Compared to First 2Qs of FY2016	% of Change
Net Sales	24,734	25,000	265	1.1
Operating Expenses	24,557	25,000	442	1.8
Operating Income	176	—	-176	—
Operating Margin	0.7%	—	-0.7pt	—
Ordinary Income	422	200	-222	—
Profit Attributable to Owners of Parent	119	100	-19	—

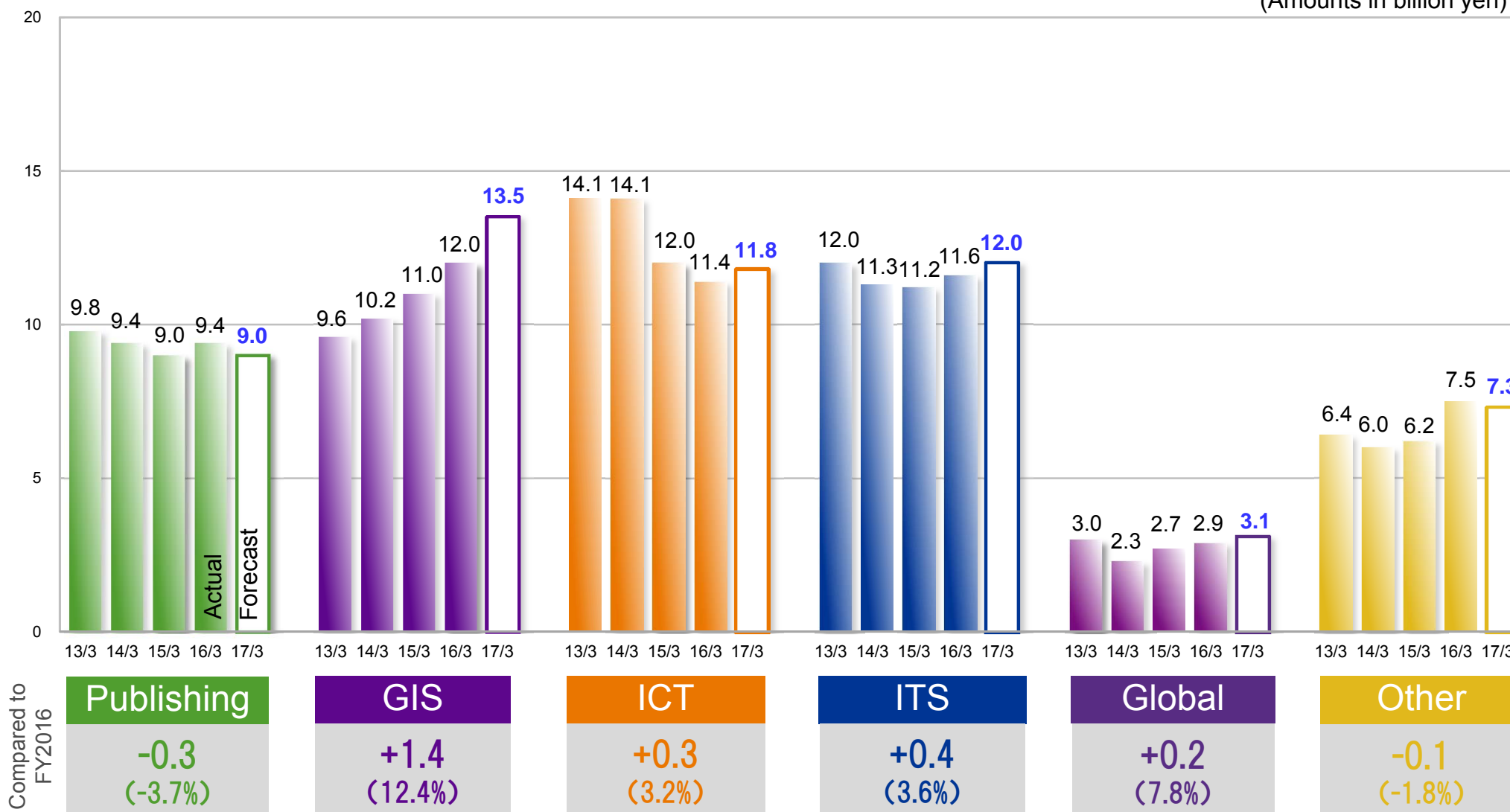
Earnings Forecast for Fiscal 2017

	FY2016 Actual	FY2017 Forecast	Compared to FY2016	% of Change
Net Sales	54,970	57,000	2,029	3.7
Operating Expenses	51,931	53,600	1,668	3.2
Operating Income	3,038	3,400	361	11.9
Operating Margin	5.5%	6.0%	0.5pt	—
Ordinary Income	3,427	3,700	272	7.9
Profit Attributable to Owners of Parent	1,610	2,200	589	36.6

6. Appendix (Net Sales by Business under ZGP2020)

Results for First Quarter of Fiscal 2017

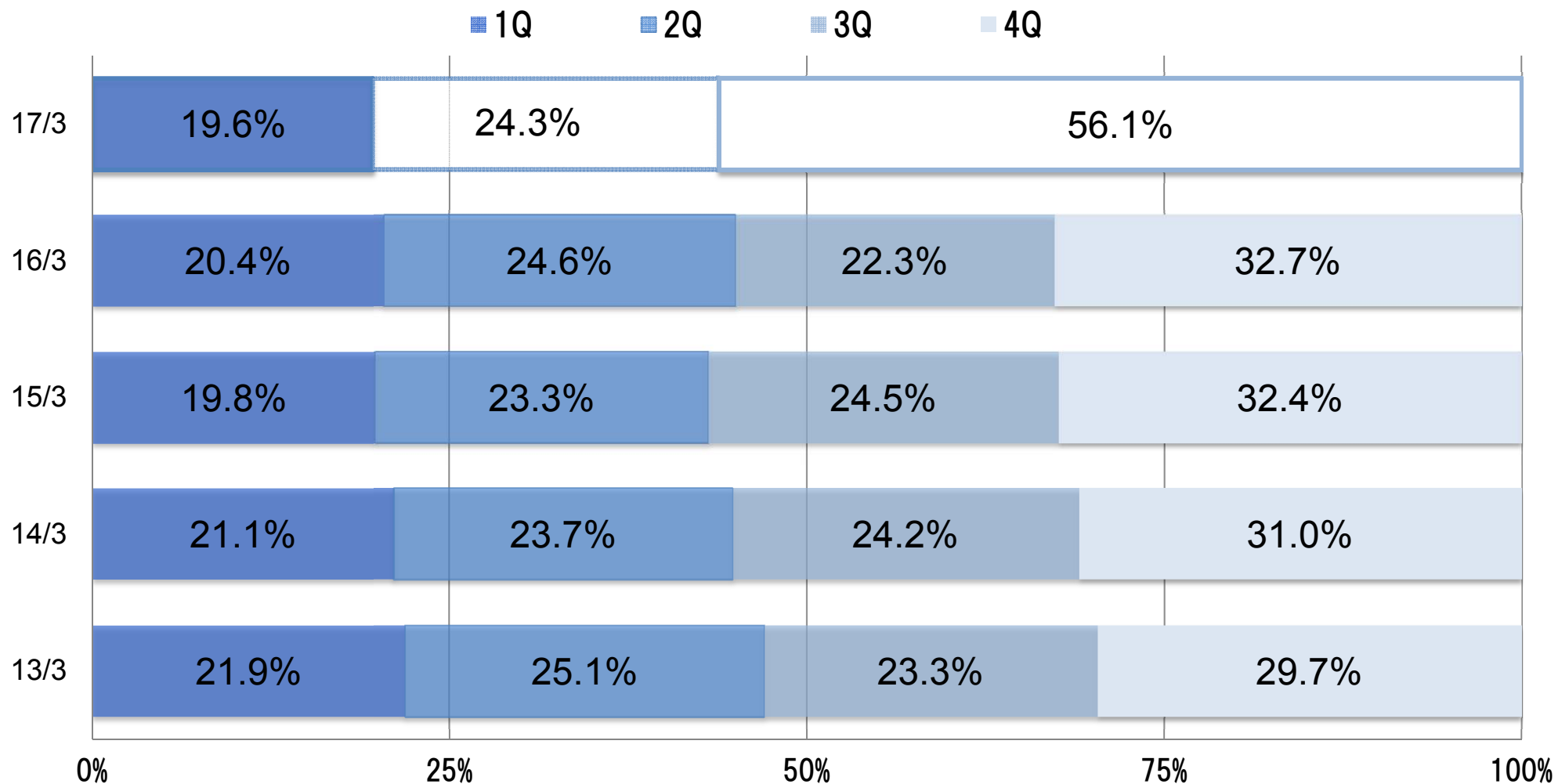
(Amounts in billion yen)



*Net sales for fiscal 2013 (year ended March 31, 2013) and fiscal 2014 (year ended March 31, 2014) are net sales compiled based on the business composition under ZGP2015.

6. Appendix (Changes in Composition of Net Sales by Quarter)

Results for First Quarter of Fiscal 2017



6. Appendix (Business Topics)

■ "ZENRIN Residential Maps Download Service" launched (June 15, 2016)

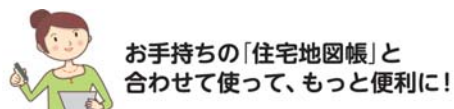
ZENRIN launched "ZENRIN Residential Maps Download Service" at ZENRIN's official online shop "ZENRIN Store." Residential maps can now be downloaded via Internet through this service.

<Features>

- ◆ Maps can be downloaded 24-7-365 at any time from anywhere
- ◆ Desired location and number of copies can be selected for download.
- ◆ Search can be done by various methods, not only by address but also by search area on the Residential Maps and postal code.
- ◆ Downloaded maps with a copying license can be used as is for application procedures.

(Download format and price)

Format	Size	Color	Copying License	Price (exclusive of taxes)
PDF	A3/B4/A4	Color/Monochrome	No license	500 yen
			With license	700 yen
TIFF		Monochrome	No license	500 yen



Publication

■ Series 4 "ZENRIN GIS Package Tax Accountant" released (April 20, 2016)

This Series was developed against the backdrop of increased demand for inheritance tax filing services provided by tax accountants due to changes to the tax system implemented in January 2015.

<Features>

- ◆ Preliminary assessment ◆ Collection of information ◆ Land assessment
- ◆ Preparation of tax return ◆ Print function with copying license
- ◆ Layers for Blue Map (cadastral map, lot number, etc.), inheritance tax roadside land prices and zoning can be added to a residential map with a single visit to the site.

(Price)

Area for use	Monthly price (per ID, exclusive of taxes)
Nation wide (no time limit)	30,000 yen
1 prefecture (no time limit) + Nation wide (up to 60 minutes per month)	13,000 yen
1 prefecture (no time limit)	10,000 yen

<ZENRIN GIS Package Series>

"ZENRIN GIS Package Real Estate" (Released in April 2013)

"ZENRIN GIS Package Construction" (Released in April 2014)

"ZENRIN GIS Package Licensed Real Estate Appraiser" (Released in April 2015)

(Price)

- 1 prefecture (no time limit)
Monthly price (per ID, exclusive of taxes)
10,000 yen



GIS

6. Appendix (Business Topics)

■ “Dynamic Map Planning Co., Ltd.” established (June 13, 2016)

“Dynamic Map Planning Co., Ltd.”, naming ZENRIN, Mitsubishi Electric Corporation and PASCO Corporation as incorporators, was established.

<Objectives of establishment>

- ◆ To examine how to improve, verify and operate high-precision 3-D maps used for “Dynamic Map^{*1}.”
- ◆ To verify and determine how to standardize and maintain data specifications and development methods toward the actual operation for the national expressways and general roads
- ◆ To examine commercialization assuming permanent improvement and update
- ◆ As a business firm, to prepare and promote “Dynamic Map Cooperation Areas^{*2}” in Japan during 2017 fiscal year.
- ◆ To expand business into a wide range of fields including not only automatic driving and safe driving support but also disaster prevention and deduction and social infrastructure maintenance and management.

*1 “Dynamic Map”

Digital map information integrating various information including conventional map information showing road linearity and road structure and driving environment, to generate a travel track for automatic driving system .

*2 “Dynamic Map Cooperation Areas”

Common base part in high-precision 3D digital maps containing not only static information but also dynamic information (such as construction/accident road regulations, traffic signal information and surrounding vehicles)

<Capital contributors>

	Company name	Investment ratio
Incorporators	Mitsubishi Electric Corporation	18.0%
	ZENRIN CO.,LTD.	17.0%
	PASCO CORPORATION	17.0%
Map companies	AISAN TECHNOLOGY CO., LTD.	6.0%
	INCREMENT P CORPORATION	6.0%
	TOYOTA MAPMASTER INCORPORATED	6.0%
Automobile companies	ISUZU MORTORS LIMITED	3.3%
	SUZUKI MOTOR CORPORATION	3.3%
	TOYOTA MOTOR CORPORATION	3.3%
	NISSAN MOTOR CO.,LTD.	3.3%
	HINO MOTORS,LTD.	3.3%
	Fuji Heavy Industries Ltd.	3.3%
	HONDA MOTOR CO., LTD.	3.3%
	Mazda Motor Corporation	3.3%
	MITSUBISHI MOTORS CORPORATION	3.3%

6. Appendix (Business Topics)

■ Japan's first drone service platform "SoraPass" launched (May 25, 2016)

ZENRIN, Japan UAS Industrial Development Association and Blue Innovation Co., Ltd. launched Japan's first drone service platform "SoraPass" for business operators and individuals who use drones.

As the initial service, a map service called "SoraPassMAP" which allows users to omit the preliminary work from flight plan to application was launched.

Revised Civil Aeronautics Act came into force in December 2015.

Now, it is necessary to know restricted areas such as densely inhabited districts and airport perimeter and airspace which requires a flight permit under law.

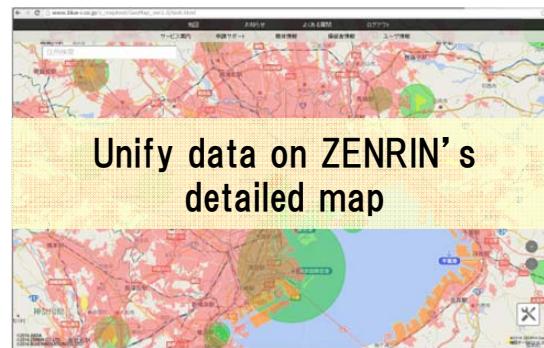
SoraPass

ドローン専用飛行支援地図サービス

[No-fly and dangerous airspace]

- Densely inhabited districts
- Airports, airfields, heliports
- Self-Defense Forces bases
- Nuclear power plants
- Petrochemical complexes

[Permitted airspace]



- Pilot information management
- Airframe information maintenance
- Weather information (provided by Japan Meteorological Corporation)
- Flight application support function
- Flight permit application agency service

Provide unified support for safe and secure use of drones for business

6. Appendix (Business Topics)

[Inbound]

■ Participated in “Business Show & Eco Fair 2016” (June 16 & 17, 2016)

Exhibited inbound solutions utilizing map information to fulfil new needs of customers such as area marketing solutions for expanding inbound tourism market.

■ Participated in “Inbound Japan 2016” (July 20 – 22, 2016)

For local governments, transportation business operators, accommodation facilities, roadside stations and other organizations which deal with rapidly increasing foreign tourists to Japan (“Visitors to Japan”), exhibited behavior support solutions to build environment in which Visitors to Japan can collect information and act themselves and at the same time to enable staff to reduce burden to deal with those Visitors to Japan.

[3D Simulation, VR]

■ Participated in “The 24th 3D & Virtual Reality Show” (June 22 – 24, 2016)

Exhibited “3D Urban Model Data” which offers versatile 3D usage such as simulation and VR^{*1} using construction and civil engineering software that is expanding its usage for BIM^{*2} and CIM^{*3}.

*1 Virtual Reality: Technology that artificially creates a sense of reality which people can actually experience by combining CG and sound effect.

*2 Building Information Model: To build 3D building information model using a computer

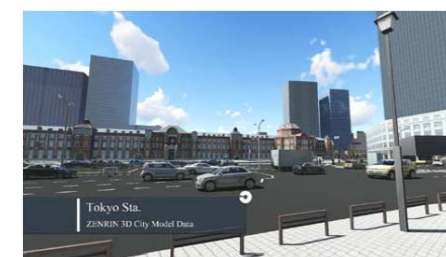
*3 Construction Information Modeling: Application of BIM in the civil engineering field



Transmit multi-language maps, tourist information and other contents through digital signage



Multi-language map showing Chinese language (Simplified Chinese)



Moving image created by construction presentation software

6. Appendix (Business Topics)

■ Utilized “Its-mo NAVI Dynamic Management Service*” as “New Local Medical MBC System” (June 23, 2016)

A solution using the location information of ZENRIN’s consolidated subsidiary, ZENRIN DataCom Co., Ltd., “Its-mo NAVI Dynamic Management Service” was applied to home-visit medical care, home-visit nursing care, home-visit rehabilitation, home-visit attendant care and similar services, and updated as “New Local Medical MBC System.”

This update was realized with cooperation of Yuaikai Medical Corporation, ODA Regional Medical Center (Location: Kashima-city, Saga; hereinafter “ODA Hospital”). Used for the ODA Hospital’s home-based medical ward project called MBC (Medical Base Camp) for those who are at the subacute stage.

* “Its-mo NAVI Dynamic Management Service”

A cloud-type solution to increase efficiency of work involving travelling such as vehicle operation management and work schedule management, using smart phone’s GPS.

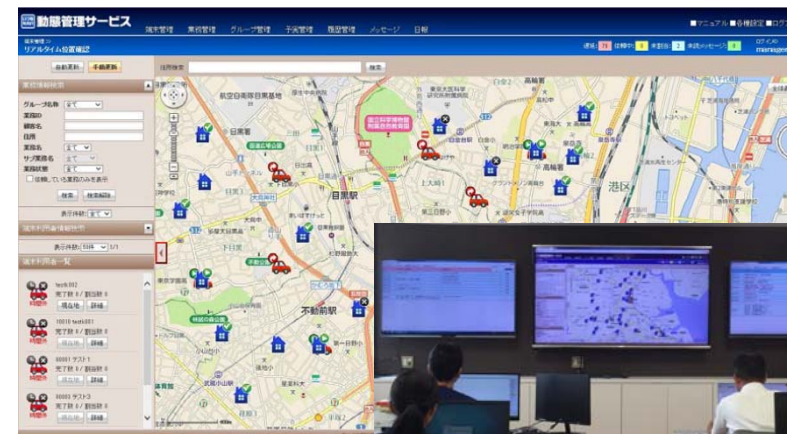


Image of Manager’s PC



The location of patient’s house, vehicle or staff is shown and understood in real time on the monitor installed at MBC.

<Example of dynamic management>

◆ Its-mo NAVI Dynamic Management Service for shuttle bus service “Kurunto Bus”

A cloud-type bus location system which provides bus operation information, arrival announcement mail and route creation using smart phones’ GPS function.

This service will enhance convenience of users and support the operation of comfortable facilities for operation managers and drivers, and is applicable to kindergartens, day cares and various types of schools as well as day-service, community bus service and demand bus service.



ZENRIN

Maps to the Future

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