



## Financial Summary for First Quarter of Fiscal 2018 [Japanese GAAP] [Consolidated]

July 27, 2017

Name of listed company **ZENRIN CO.,LTD.** Stock exchange listings: Tokyo and Fukuoka  
 Securities code 9474 URL <http://www.zenrin.co.jp/>  
 Representative [Title] President and CEO [Name] Zenshi Takayama  
 Contact [Title] Executive Officer and Head of Corporate Management Division [Name] Masami Matsuo TEL +81-93-882-9050  
 Scheduled date of submission of quarterly securities report: July 28, 2017  
 Scheduled date of commencement of dividend payments: —  
 Preparation of supplementary explanatory materials on quarterly results: Yes  
 Holding of briefing session on quarterly results: No

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results of Operations in First Quarter of Fiscal 2018

*ZENRIN's first quarter of fiscal 2018 is the period from April 1, 2017 to June 30, 2017.*

#### (1) Consolidated Business Performance [cumulative]

[%figures represent the increase (decrease) compared to the same period of the previous fiscal year]

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of fiscal 2018	12,039	7.8	(210)	—	(53)	—	(143)	—
First quarter of fiscal 2017	11,163	(0.3)	(557)	—	(429)	—	(406)	—

[Note] Comprehensive income First quarter of fiscal 2018: (63) million yen [ —%]  
 First quarter of fiscal 2017: (698) million yen [ —%]

	Earnings per share	Diluted earnings per share
	yen	yen
First quarter of fiscal 2018	(3.91)	—
First quarter of fiscal 2017	(11.09)	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
First quarter of fiscal 2018	61,182	42,438	67.1
Fiscal 2017	65,150	43,463	64.6

[Reference] Equity First quarter of fiscal 2018: 41,060million yen Fiscal 2017: 42,061 million yen

### 2. Dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal 2017	—	17.00	—	17.50	34.50
Fiscal 2018	—				
Fiscal 2018 [forecast]		17.50	—	17.50	35.00

[Note] Revision from most recently announced forecast for dividends: None

### 3. Forecast for Consolidated Results of Operations in Fiscal 2018

*ZENRIN's fiscal 2018 is the period from April 1, 2017 to March 31, 2018.*

[% figures for the fiscal year represent the increase (decrease) compared to the previous fiscal year; % figures for the first 2 quarters represent the increase (decrease) compared to the same period of the previous fiscal year]

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First 2 quarters	25,000	0.9	0	—	0	—	0	—	0.00
Fiscal year	60,000	3.8	4,500	6.3	4,700	3.8	2,700	9.7	73.60

[Note] Revision from most recently announced forecast for results of operations: None

## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Business Performance

In the first quarter of fiscal 2018 (from April 1, 2017 to June 30, 2017), the Japanese economy was on a moderate recovery trend on the back of improvements in the employment and income situations. Meanwhile, uncertainty over the future of the nation's economy continued to prevail due to the lingering effects of the unpredictability surrounding the future of the emerging economies as well as the government's policies, despite the signs of recovery of the global economy.

In such an environment, the ZENRIN Group in the first quarter of fiscal 2018 reported net sales of 12,039 million yen (increased 875 million yen, or up 7.8%, compared to the same period of the previous fiscal year), operating loss of 210 million yen (improvement of 346 million yen compared to the same period of the previous fiscal year), ordinary loss of 53 million yen (improvement of 376 million yen compared to the same period of the previous fiscal year) and loss attributable to owners of parent of 143 million yen (improvement of 263 million compared to the same period of the previous fiscal year).

Please note that past net sales of the ZENRIN Group have shown trends of large seasonal fluctuations and sales concentrating in the fourth quarter.

#### [Segment Results of Operations]

##### **Map Database Segment**

The Map Database segment, which is the ZENRIN Group's core business, reported robust sales related to GIS-utilizing residential map databases, in addition to the increase in ITS-related sales including sales from data for Japanese in-car navigation systems. In terms of expenses, an increase in general and administrative expenses including personnel expenses was reported, in addition to the increase in cost of sales, in conjunction with increased revenues.

As a result of the foregoing, the Map Database segment reported net sales of 10,090 million yen (increased 881 million yen, or up 9.6%, compared to the same period of the previous fiscal year) and segment loss of 202 million yen (improvement of 340 million yen compared to the same period of the previous fiscal year).

##### **General Printing Segment**

The General Printing segment reported net sales of 803 million yen (decreased 29 million yen, or down 3.5%, compared to the same period of the previous fiscal year) and segment loss of 21 million yen (improvement of 19 million yen compared to the same period of the previous fiscal year).

##### **Other**

The segment other than the Map Database segment and the General Printing segment reported net sales of 1,146 million yen (increased 24 million yen, or up 2.1%, compared to the same period of the previous fiscal year) and segment loss of 5 million yen (downturn of 10 million yen compared to the same period of the previous fiscal year).

### (2) Explanation of Financial Position

Total assets at the end of the first quarter of fiscal 2018 amounted to 61,182 million yen (decreased 3,967 million yen, or down 6.1%, compared to the end of the previous fiscal year). This was attributable to the decrease in trade notes and accounts receivable in the amount of 5,586 million yen due to the effects of seasonal fluctuations, which was offset by the increase in cash and deposits in the amount of 1,164 million yen.

Liabilities amounted to 18,743 million yen (decreased 2,942 million yen, or down 13.6%, compared to the end of the previous fiscal year). This was attributable to a decrease in trade accounts payable in the amount of 1,271 million yen due to payment, and a decrease in income taxes payable in the amount of 1,788 million yen due to tax payment.

Net assets amounted to 42,438 million yen (decreased 1,024 million yen, or down 2.4%, compared to the end of the previous fiscal year). This was attributable to a decrease in retained earnings in the amount of 1,085 million yen mainly due to dividends of surplus and loss attributable to owners of parent. As a result, the ratio of equity to total assets at the end of the first quarter of

fiscal 2018 was 67.1% (up 2.5 points compared to the end of the previous fiscal year).

**(3) Explanation of Forecast for Consolidated Results of Operations and Other Forward-Looking Statements**

The forecast for consolidated results of operations in the first 2 quarters of fiscal 2018 and in fiscal 2018 remain unchanged from that announced on May 8, 2017.

**2. Quarterly Consolidated Financial Statements**  
**(1) Quarterly Consolidated Balance Sheet**

[Unit: million yen]

	Fiscal 2017	First quarter of fiscal 2018
	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	6,824	7,988
Notes and accounts receivable – trade	14,475	8,889
Electronically recorded monetary claims – operating	87	97
Merchandise and finished goods	760	867
Work in process	313	573
Raw materials and supplies	65	63
Other	3,147	3,587
Allowance for doubtful accounts	(16)	(10)
<b>Total current assets</b>	<b>25,658</b>	<b>22,057</b>
Non-current assets		
Property, plant and equipment		
Land	6,743	6,741
Other, net	8,147	7,976
<b>Total property, plant and equipment</b>	<b>14,917</b>	<b>14,718</b>
Intangible assets		
Goodwill	1,549	1,441
Software	11,825	11,685
Other	2,017	1,830
<b>Total intangible assets</b>	<b>15,392</b>	<b>14,957</b>
Investments and other assets		
Other	9,327	9,581
Allowance for doubtful accounts	(146)	(131)
<b>Total investments and other assets</b>	<b>9,181</b>	<b>9,449</b>
<b>Total non-current assets</b>	<b>39,491</b>	<b>39,125</b>
<b>Total assets</b>	<b>65,150</b>	<b>61,182</b>

[Unit: million yen]

	Fiscal 2017 As of March 31, 2017	First quarter of fiscal 2018 As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	2,555	1,283
Short-term loans payable	2,879	2,879
Income taxes payable	1,896	108
Provision for directors' bonuses	160	33
Provision for sales returns	3	3
Asset retirement obligations	—	0
Other	10,586	11,051
Total current liabilities	18,082	15,360
Non-current liabilities		
Long-term loans payable	665	595
Provision for directors' retirement benefits	132	132
Provision for management board benefit trust	22	22
Net defined benefit liability	238	242
Asset retirement obligations	37	36
Other	2,508	2,353
Total non-current liabilities	3,603	3,383
Total liabilities	21,686	18,743
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,491	13,491
Retained earnings	22,750	21,664
Treasury shares	(2,192)	(2,193)
Total shareholders' equity	40,607	39,520
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	441	462
Foreign currency translation adjustment	18	105
Remeasurements of defined benefit plans	993	971
Total accumulated other comprehensive income	1,454	1,539
Non-controlling interests	1,401	1,378
Total net assets	43,463	42,438
Total liabilities and net assets	65,150	61,182

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**  
**Quarterly Consolidated Statement of Income [cumulative]**

[Unit: million yen]

	First quarter of fiscal 2017 From: April 1, 2016 To: June 30, 2016	First quarter of fiscal 2018 From: April 1, 2017 To: June 30, 2017
Net sales	11,163	12,039
Cost of sales	7,174	7,295
Gross profit	3,988	4,744
Selling, general and administrative expenses		
Personnel expenses	2,592	2,916
Provision for directors' bonuses	19	20
Retirement benefit expenses	68	58
Other	1,865	1,959
Total selling, general and administrative expenses	4,545	4,955
Operating loss	(557)	(210)
Non-operating income		
Interest income	2	3
Dividend income	93	86
Share of profit of entities accounted for using equity method	12	—
Other	30	78
Total non-operating income	139	168
Non-operating expenses		
Interest expenses	8	8
Other	2	2
Total non-operating expenses	11	10
Ordinary loss	(429)	(53)
Extraordinary income		
Gain on sales of non-current assets	—	0
Other	10	0
Total extraordinary income	10	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	48	22
Impairment loss	—	1
Loss on valuation of investment securities	—	11
Other	4	2
Total extraordinary losses	52	37
Loss before income taxes	(471)	(91)
Income taxes – current	110	107
Income taxes – deferred	(157)	(49)
Total income taxes	(46)	57
Loss	(424)	(149)
Loss attributable to non-controlling interests	(17)	(5)
Loss attributable to owners of parent	(406)	(143)

## Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	First quarter of fiscal 2017 From: April 1, 2016 To: June 30, 2016	First quarter of fiscal 2018 From: April 1, 2017 To: June 30, 2017
Loss	(424)	(149)
Other comprehensive income		
Valuation difference on available-for-sale securities	(126)	21
Foreign currency translation adjustment	(114)	125
Remeasurements of defined benefit plans, net of tax	(7)	(21)
Share of other comprehensive income of entities accounted for using equity method	(24)	(38)
Total other comprehensive income	(273)	85
Comprehensive income	(698)	(63)
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	(657)	(57)
Comprehensive income attributable to non-controlling interests	(40)	(5)

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Notes on the Going Concern Assumption**

Not applicable.

#### **Notes in the Event of Material Change in the Amount of Shareholders' Equity**

Not applicable.

#### **Changes in Significant Subsidiaries in the First Quarter of Fiscal 2017**

Not applicable.

While not qualifying as a change in specified subsidiary, C.E. Info Systems Private Limited and INFOTRACK TELEMATICS PTE. LTD., which had been affiliates accounted for by the equity method, have been excluded from the scope of companies accounted for using the equity method, starting from the first quarter of fiscal 2018, due to their diminished significance.

Additionally, in the first quarter of fiscal 2018, Dynamic Map Planning Co, Ltd. (company name changed to Dynamic Map Platform Co., Ltd. effective June 30, 2017), which had been an affiliate not accounted for by the equity method, ceased being an affiliate due to the decrease in the Company's equity interest in the said company as a result of its issue of new shares through third-party allotment.



**[Reportable Segment Information]****Segment Information****I. First Quarter of Fiscal 2017 (from April 1, 2016 to June 30, 2016)****(a) Information on Reportable Segment Net Sales and Income or Loss Amount**

[Unit: million yen]

	Reportable segments			Other [Note]	Total
	Map Database segment	General Printing segment	Total		
Net sales					
Net sales to external customers	9,208	832	10,041	1,122	11,163
Intersegment net sales or transfers	18	43	61	16	78
Total	9,227	875	10,103	1,139	11,242
Segment income (loss)	(542)	(41)	(584)	4	(579)

[Note] The "Other" item encompasses the selling of purchased products, direct mail delivery services and other business activities that are not attributable to reportable segments.

**(b) Total Amount of Reportable Segment Income or Loss Amount and its Difference in Amount with Amount on Quarterly Consolidated Statement of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)**

[Unit: million yen]

Income	Amount
Total for reportable segments	(584)
Income of "Other" item	4
Eliminations of intersegment transactions	22
Operating income (loss) on quarterly consolidated statement of income	(557)

**(c) Information on Impairment Loss on Non-Current Assets and Goodwill by Reportable Segment*****Material Change in the Amount of Goodwill***

In the Map Database segment, ZENRIN GEO INTELLIGENCE CO., LTD. (former JPS Marketing Ltd.) has been included in the scope of consolidation starting from the first quarter of fiscal 2017, due to the acquisition of its shares. As a result of this event the amount of goodwill stood at 147 million yen in the first quarter of fiscal 2017.

## II. First Quarter of Fiscal 2018 (from April 1, 2017 to June 30, 2017)

### (a) Information on Reportable Segment Net Sales and Income or Loss Amount

[Unit: million yen]

	Reportable segments			Other [Note]	Total
	Map Database segment	General Printing segment	Total		
Net sales					
Net sales to external customers	10,090	803	10,893	1,146	12,039
Intersegment net sales or transfers	18	48	66	17	84
Total	10,108	851	10,960	1,163	12,124
Segment income (loss)	(202)	(21)	(223)	(5)	(229)

[Note] The "Other" item encompasses the selling of purchased products, direct mail delivery services and other business activities that are not attributable to reportable segments.

### (b) Total Amount of Reportable Segment Income or Loss Amount and its Difference in Amount with Amount on Quarterly Consolidated Statement of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)

[Unit: million yen]

Income	Amount
Total for reportable segments	(223)
Income of "Other" item	(5)
Eliminations of intersegment transactions	18
Operating income (loss) on quarterly consolidated statement of income	(210)

### (C) Information on Impairment Loss on Non-Current Assets and Goodwill by Reportable Segment

#### **Material Change in the Amount of Goodwill**

In the Map Database segment, ZENRIN DataCom CO. LTD., a consolidated subsidiary of the Company, has succeeded the fleet management business from AYARY SYSTEM Co., Ltd. As a result of this event the amount of goodwill stood at 35 million yen in the first quarter of fiscal 2018.

### 3. Supplementary Information

#### Sales Turnover based on Business Categories under the Medium- to Long-Term Business Plan ZGP2020

Business category	First quarter of fiscal 2017	First quarter of fiscal 2018	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Publishing business	1,436	1,318	(117)	(8.2)	Printed residential maps, special-purpose maps, purchased products, and various media
GIS business	2,432	2,862	429	17.7	Residential map databases
ICT business	2,451	2,421	(30)	(1.2)	Services for smartphones, and map data provision for internet services
ITS business	2,553	3,225	672	26.3	Data for Japanese in-car navigation systems
Global business	534	472	(61)	(11.6)	Data for overseas in-car navigation systems, and various overseas content
Other business	1,755	1,738	(16)	(1.0)	General printing goods, direct mail delivery services, in-ship (enclosing in mail/packages) advertising, ...etc.
Total	11,163	12,039	875	7.8	