

# Financial Summary for First Quarter of Fiscal 2014 [Japanese GAAP] [Consolidated]

July 31, 2013

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 TEL: +81-93-592-9050  
 Contact: [Title] Executive Officer, and Head of Corporate Management Division [Name] Masami Matsuo  
 Scheduled date of submission of quarterly securities report: August 2, 2013  
 Scheduled date of commencement of dividend payouts: –  
 Preparation of supplementary explanatory materials on quarterly results: Yes  
 Holding of briefing session on quarterly results: None

[Amounts are rounded down to the nearest million yen]

## 1. Consolidated Results of Operations in First Quarter of Fiscal 2014

*ZENRIN's first quarter of fiscal 2014 is the period from April 1, 2013 to June 30, 2013.*

### (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		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of fiscal 2014	11,320	(6.2)	(240)	–	(130)	–	(236)	–
First quarter of fiscal 2013	12,071	15.5	948	–	1,078	–	424	–

[Note] Comprehensive income First quarter of fiscal 2014: 37 million yen [(90.7%)]  
 First quarter of fiscal 2013: 403 million yen [ –%]

	Net income per share	Diluted net income per share
	yen	yen
First quarter of fiscal 2014	(6.43)	–
First quarter of fiscal 2013	11.55	–

### (2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
First quarter of fiscal 2014	51,439	37,072	68.7
Fiscal 2013	56,376	37,663	63.9

[Reference] Equity First quarter of fiscal 2014: 35,352 million yen Fiscal 2013: 36,024 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 2013	–	15.00	–	15.00	30.00
Fiscal 2014	–	–	–	–	–
Fiscal 2014 [forecast]	–	15.00	–	15.00	30.00

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

## 3. Forecast for Consolidated Results of Operations in Fiscal 2014

*ZENRIN's fiscal 2014 is the period from April 1, 2013 to March 31, 2014.*

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First 2 quarters [cumulative]	25,200	(2.5)	800	(68.8)	900	(67.1)	200	(82.8)	5.44
Fiscal year	56,000	1.8	5,200	(6.9)	5,500	8.3	2,500	36.2	68.00

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

## ATTACHMENT

### 1. Qualitative Information on Quarterly Results

#### (1) Explanation of Business Performance

In the first quarter of fiscal 2014 (from April 1, 2013 to June 30, 2013), the Japanese economy showed signs of pickup, backed by improvement in the export environment as well as expectations for economic measures and monetary policies. However, the state of uncertainty in the real economy still persists, as evident by downside risks in the overseas economy still remaining and other factors.

Under such an environment, despite robust performance in the selling of residential map databases and smartphone services, decrease in sales of data for Japanese and overseas in-car navigation systems and other factors resulted in net sales of 11,320 million yen (decreased 750 million yen, or down 6.2%, compared to the same period of the previous fiscal year).

In terms of income or loss, in addition to decrease in net sales, increase in prior expenses associated with database maintenance, smartphone services, etc. resulted in operating loss of 240 million yen (downturn of 1,188 million yen compared to the same period of the previous fiscal year), ordinary loss of 130 million yen (downturn of 1,209 million yen compared to the same period of the previous fiscal year) and net loss of 236 million yen (downturn of 661 million yen 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.

Furthermore, ZENRIN's consolidated subsidiary, ZENRIN DataCom Co., Ltd., converted INFOTRACK TELEMATICS PTE. LTD., which is a service provider of location information in India and Southeast Asia, and its subsidiary CERT INFOTRACK TELEMATICS PRIVATE LIMITED into subsidiaries on June 28, 2013.

#### [Segment Results of Operations]

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

The Map Database segment, which is the ZENRIN Group's core business, saw robust sales related to GIS utilizing residential map databases and sales related to ICT centering on smartphone services, etc. On the other hand, because the same period of the previous fiscal year was a period subject to subsidies for green vehicles, decrease in new vehicle sales volume in Japan on the rebound of such were among the factors that led to decrease in sales of data for Japanese in-car navigation systems. In addition, concerning sales of data for overseas in-car navigation systems, sales in the North American market decreased.

The result was Map Database segment net sales of 9,672 million yen (decreased 632 million yen, or down 6.1%, compared to the same period of the previous fiscal year) and segment loss of 305 million yen (downturn of 1,227 million yen compared to the same period of the previous fiscal year).

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

The results of the General Printing segment were net sales of 941 million yen (increased 11 million yen, or up 1.3%, compared to the same period of the previous fiscal year) and segment loss of 0 million yen (improved 36 million yen compared to the same period of the previous fiscal year).

##### **Other**

The results other than that of the Map Database segment and General Printing segment were net sales of 706 million yen (decreased 129 million yen, or down 15.5%, compared to the same period of the previous fiscal year) and segment income of 28 million yen (increased 1 million yen, or up 6.2%, compared to the same period of the previous fiscal year).

**[Reportable Segment Information]****I. First Quarter of Fiscal 2013 (from April 1, 2012 to June 30, 2012)****(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	10,305	929	11,234	836	12,071
Intersegment net sales or transfers	15	35	50	28	78
Total	10,320	964	11,285	864	12,149
Segment income (loss)	921	(37)	884	26	911

[Note] The "Other" item encompasses the selling of purchased products, commissioned CAD processing, internet and other advertising distribution, 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 Statements of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)**

[Unit: million yen]

Income	Amount
Total for reportable segments	884
Income of "Other" item	26
Eliminations of intersegment transactions	37
Operating income on quarterly consolidated statements of income	948

**II. First Quarter of Fiscal 2014 (from April 1, 2013 to June 30, 2013)****(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	9,672	941	10,613	706	11,320
Intersegment net sales or transfers	20	41	61	40	101
Total	9,693	982	10,675	746	11,422
Segment income (loss)	(305)	(0)	(306)	28	(278)

[Note] The "Other" item encompasses the selling of purchased products, commissioned CAD processing 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 Statements of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)**

[Unit: million yen]

Income	Amount
Total for reportable segments	(306)
Income of "Other" item	28
Eliminations of intersegment transactions	38
Operating income (loss) on quarterly consolidated statements of income	(240)

## **(2) Explanation of Financial Position**

Total assets at the end of the first quarter of fiscal 2014 decreased 4,937 million yen (8.8%) compared to at the end of fiscal 2013 to 51,439 million yen. This was mainly attributable to increase in each of software in the amount of 813 million yen and investment securities in the amount of 473 million yen being offset by decrease in cash and deposits in the amount of 3,647 million yen, which was due in part to payment of trade accounts payable and capital investment, and decrease in trade notes and accounts receivable in the amount of 2,995 million yen, which was due to decrease in net sales in the first quarter of fiscal 2014 compared to the fourth quarter of fiscal 2013 owing to seasonal fluctuations.

Liabilities decreased 4,346 million yen (23.2%) compared to at the end of fiscal 2013 to 14,366 million yen. This was mainly attributable to decrease in trade accounts payable in the amount of 989 million yen, which was due in part to payment, decrease in short-term loans payable in the amount of 400 million yen, which was due in part to repayment, and decrease in income taxes payable in the amount of 1,616 million yen, which was due in part to tax payment.

Net assets decreased 590 million yen (1.6%) compared to at the end of fiscal 2013 to 37,072 million yen. This was mainly attributable to dividends from surplus in the amount of 551 million yen.

As a result, the ratio of equity to total assets at the end of the first quarter of fiscal 2014 was up 4.8 points compared to at the end of fiscal 2013 to 68.7%.

## **(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 2014 and in fiscal 2014 remain unchanged from that announced on May 8, 2013.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

[Unit: million yen]

	Fiscal 2013	First quarter of fiscal 2014
	As of March 31, 2013	As of June 30, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	8,267	4,619
Notes and accounts receivable – trade	11,995	8,999
Short-term investment securities	51	–
Inventories	1,448	1,593
Other	2,501	2,966
Allowance for doubtful accounts	(8)	(7)
<b>Total current assets</b>	<b>24,256</b>	<b>18,172</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	4,367	4,287
Land	8,326	8,326
Other, net	2,822	3,603
<b>Total property, plant and equipment</b>	<b>15,516</b>	<b>16,218</b>
Intangible assets		
Software	7,229	8,042
Other	3,316	2,655
<b>Total intangible assets</b>	<b>10,546</b>	<b>10,698</b>
Investments and other assets		
Investment securities	3,202	3,675
Other	2,965	2,782
Allowance for doubtful accounts	(111)	(107)
<b>Total investments and other assets</b>	<b>6,057</b>	<b>6,350</b>
<b>Total noncurrent assets</b>	<b>32,120</b>	<b>33,267</b>
<b>Total assets</b>	<b>56,376</b>	<b>51,439</b>

[Unit: million yen]

	Fiscal 2013 As of March 31, 2013	First quarter of fiscal 2014 As of June 30, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	2,472	1,483
Short-term loans payable	1,869	1,469
Accrued expenses	3,759	3,765
Income taxes payable	1,797	181
Provision for directors' bonuses	161	12
Other	4,462	3,379
Total current liabilities	14,523	10,291
Noncurrent liabilities		
Long-term loans payable	943	893
Provision for retirement benefits	1,561	1,567
Provision for directors' retirement benefits	133	127
Other	1,552	1,486
Total noncurrent liabilities	4,190	4,074
Total liabilities	18,713	14,366
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,111	13,111
Retained earnings	18,892	18,104
Treasury stock	(2,323)	(2,294)
Total shareholders' equity	36,237	35,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	128	137
Foreign currency translation adjustment	(341)	(264)
Total accumulated other comprehensive income	(213)	(126)
Minority interests	1,639	1,720
Total net assets	37,663	37,072
Total liabilities and net assets	56,376	51,439

**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income****Quarterly Consolidated Statements of Income [Cumulative]**

[Unit: million yen]

	First quarter of fiscal 2013 From: April 1, 2012 To: June 30, 2012	First quarter of fiscal 2014 From: April 1, 2013 To: June 30, 2013
Net sales	12,071	11,320
Cost of sales	6,841	7,041
Gross profit	5,229	4,279
Selling, general and administrative expenses	4,280	4,519
Operating income (loss)	948	(240)
Non-operating income		
Interest income	3	3
Dividends income	116	63
Equity in earnings of affiliates	–	4
Real estate rent	36	35
Other	50	31
Total non-operating income	205	139
Non-operating expenses		
Interest expenses	7	5
Depreciation of assets for rent	6	6
Foreign exchange losses	11	13
Equity in losses of affiliates	45	–
Other	5	3
Total non-operating expenses	75	29
Ordinary income (loss)	1,078	(130)
Extraordinary income		
Gain on sales of noncurrent assets	–	93
Total extraordinary income	–	93
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	2	31
Loss on valuation of investment securities	23	2
Loss on valuation of golf club membership	1	–
Total extraordinary losses	26	34
Income (loss) before income taxes and minority interests	1,051	(70)
Income taxes – current	356	205
Income taxes – deferred	83	(203)
Total income taxes	440	2
Income (loss) before minority interests	611	(73)
Minority interests in income	187	163
Net income (loss)	424	(236)



## Quarterly Consolidated Statements of Comprehensive Income [Cumulative]

[Unit: million yen]

	First quarter of fiscal 2013 From: April 1, 2012 To: June 30, 2012	First quarter of fiscal 2014 From: April 1, 2013 To: June 30, 2013
Income (loss) before minority interests	611	(73)
Other comprehensive income		
Valuation difference on available-for-sale securities	(92)	33
Foreign currency translation adjustment	54	100
Share of other comprehensive income of associates accounted for using equity method	(170)	(23)
Total other comprehensive income	(208)	110
Comprehensive income	403	37
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of the parent	216	(149)
Comprehensive income attributable to minority interests	187	186

**(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.

**3. Supplementary Information*****Sales Turnover based on Business Composition under Medium-Term Business Plan ZGP2015***

Business composition	First quarter of fiscal 2013	First quarter of fiscal 2014	Amount of increase (decrease)	Rate of increase (decrease)	Main items
	million yen	million yen	million yen	%	
Advertising business	71	68	(2)	(3.6)	Various media
Publishing business	1,726	1,599	(127)	(7.4)	Printed residential maps, special-purpose maps, and purchased products
GIS business	1,733	1,955	221	12.8	Residential map databases
ICT business	3,307	3,410	103	3.1	Services for smartphones / mobile phones, and map data provision for internet services
ITS business	2,825	2,393	(432)	(15.3)	Data for Japanese in-car navigation systems
Global business	802	408	(393)	(49.0)	Data for overseas in-car navigation systems, and various overseas content
Other business	1,604	1,483	(120)	(7.5)	General printing goods, commissioned CAD processing, sales promotion products, etc.
Total	12,071	11,320	(750)	(6.2)	