



Financial Summary for First 3 Quarters of Fiscal 2018
[Japanese GAAP] [Consolidated]

January 29, 2018

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: January 29, 2018
 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 3 Quarters of Fiscal 2018

ZENRIN's first 3 quarters of fiscal 2018 is the period from April 1, 2017 to December 31, 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 3 quarters of fiscal 2018 | 39,535 | 5.0 | 722 | — | 1,041 | 256.7 | 295 | — |
| First 3 quarters of fiscal 2017 | 37,647 | 1.8 | 59 | (80.3) | 291 | (56.2) | (170) | — |

[Note] Comprehensive income
 First 3 quarters of fiscal 2018 : 662 million yen [—%]
 First 3 quarters of fiscal 2017 : (334) million yen [—%]

| | Earnings per share | Diluted earnings per share |
|---------------------------------|--------------------|----------------------------|
| | yen | yen |
| First 3 quarters of fiscal 2018 | 8.07 | — |
| First 3 quarters of fiscal 2017 | (4.64) | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Ratio of equity to total assets |
|---------------------------------|--------------|-------------|---------------------------------|
| | million yen | million yen | % |
| First 3 quarters of fiscal 2018 | 60,444 | 42,516 | 68.1 |
| Fiscal 2017 | 65,150 | 43,463 | 64.6 |

[Reference] Equity
 First 3 quarters of fiscal 2018 : 41,150 million 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 | — | 17.50 | — | | |
| Fiscal 2018 [forecast] | | | | 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 represent the increase (decrease) compared to 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 |
| 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 3 quarters of fiscal 2018 (from April 1, 2017 to December 31, 2017), the Japanese economy has been on a moderate recovery trend, as personal consumption has picked up against the backdrop of the continued recovery in the employment and income situation. While attention must be paid to the political trends of each country going forward, the global economy has also remained strong.

In such an environment, the ZENRIN Group in the first 3 quarters of fiscal 2018 reported net sales of 39,535 million yen (increased 1,888 million yen, or up 5.0%, compared to the same period of the previous fiscal year), operating income of 722 million yen (increased 662 million yen compared to the same period of the previous fiscal year), ordinary income of 1,041 million yen (increased of 749 million yen, or up 256.7%, compared to the same period of the previous fiscal year) and profit attributable to owners of parent of 295 million yen (improvement of 466 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.

[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 strong 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 including the commission fee, in conjunction with increased revenues.

As a result of the foregoing, the Map Database segment reported net sales of 32,698 million yen (increased 1,417 million yen, or up 4.5%, compared to the same period of the previous fiscal year) and segment income of 628 million yen (improvement of 689 million yen compared to the same period of the previous fiscal year).

General Printing Segment

The General Printing segment reported net sales of 2,665 million yen (increased 60 million yen, or up 2.3%, compared to the same period of the previous fiscal year) and segment income of 5 million yen (improvement of 49 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 4,171 million yen (increased 410 million yen, or up 10.9%, compared to the same period of the previous fiscal year) and segment income of 28 million yen (decreased 72 million yen, or down 72.0%, compared to the same period of the previous fiscal year), which were due in part to the impact of the subsidiary that was newly included in the scope of consolidation, starting from the third quarter of fiscal 2018.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of fiscal 2018 amounted to 60,444 million yen (decreased 4,705 million yen, or down 7.2% compared to the end of the previous fiscal year). This was attributable to the decrease in trade notes and accounts receivable due to the collection of trade receivables, which were reported at the end of the previous fiscal year, in addition to the effects of seasonal fluctuations.

Liabilities amounted to 17,927 million yen (decreased 3,759 million yen, or down 17.3% compared to the end of the previous fiscal year). This was attributable to a decrease in short-term loans payable due to repayment and a decrease in income taxes payable due to tax payment.

Net assets amounted to 42,516 million yen (decreased 946 million yen, or down 2.2% compared to the end of the previous fiscal year). This was attributable to a decrease in retained earnings due to dividends of surplus despite the recognition of profit attributable to owners of parent.

As a result, the ratio of equity to total assets at the end of the third quarter of fiscal 2018 was 68.1% (up 3.5 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 the consolidated results of operations in fiscal 2018 remains unchanged from the forecast announced on May 8, 2017.

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

[Unit: million yen]

| | Fiscal 2017 | Third quarter of fiscal 2018 |
|--|----------------------|---------------------------------|
| | As of March 31, 2017 | As of December 31, 2017 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,824 | 5,188 |
| Notes and accounts receivable – trade | 14,475 | 9,046 |
| Electronically recorded monetary claims – operating | 87 | 203 |
| Merchandise and finished goods | 760 | 921 |
| Work in process | 313 | 1,339 |
| Raw materials and supplies | 65 | 69 |
| Other | 3,147 | 3,605 |
| Allowance for doubtful accounts | (16) | (59) |
| Total current assets | 25,658 | 20,314 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 6,743 | 7,616 |
| Other, net | 8,174 | 8,039 |
| Total property, plant and equipment | 14,917 | 15,655 |
| Intangible assets | | |
| Goodwill | 1,549 | 1,214 |
| Software | 11,825 | 11,028 |
| Other | 2,017 | 2,219 |
| Total intangible assets | 15,392 | 14,462 |
| Investments and other assets | | |
| Other | 9,327 | 10,228 |
| Allowance for doubtful accounts | (146) | (216) |
| Total investments and other assets | 9,181 | 10,012 |
| Total non-current assets | 39,491 | 40,130 |
| Total assets | 65,150 | 60,444 |

[Unit: million yen]

| | Fiscal 2017 As of March 31, 2017 | Third quarter of fiscal 2018 As of December 31, 2017 |
|---|-------------------------------------|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable – trade | 2,555 | 1,749 |
| Short-term loans payable | 2,879 | 1,535 |
| Income taxes payable | 1,896 | 33 |
| Provision for directors' bonuses | 160 | 69 |
| Provision for sales returns | 3 | 3 |
| Other | 10,586 | 10,385 |
| Total current liabilities | 18,082 | 13,777 |
| Non-current liabilities | | |
| Long-term loans payable | 665 | 1,050 |
| Provision for directors' retirement benefits | 132 | 135 |
| Provision for management board benefit trust | 22 | 22 |
| Net defined benefit liability | 238 | 290 |
| Asset retirement obligations | 37 | 47 |
| Other | 2,508 | 2,604 |
| Total non-current liabilities | 3,603 | 4,149 |
| Total liabilities | 21,686 | 17,927 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,557 | 6,557 |
| Capital surplus | 13,491 | 13,491 |
| Retained earnings | 22,750 | 21,457 |
| Treasury shares | (2,192) | (2,194) |
| Total shareholders' equity | 40,607 | 39,312 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 441 | 773 |
| Foreign currency translation adjustment | 18 | 137 |
| Remeasurements of defined benefit plans | 993 | 927 |
| Total accumulated other comprehensive income | 1,454 | 1,838 |
| Non-controlling interests | 1,401 | 1,365 |
| Total net assets | 43,463 | 42,516 |
| Total liabilities and net assets | 65,150 | 60,444 |

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

[Unit: million yen]

| | First 3 quarters of fiscal 2017 From: April 1, 2016 To: December 31, 2016 | First 3 quarters of fiscal 2018 From: April 1, 2017 To: December 31, 2017 |
|---|--|--|
| Net sales | 37,647 | 39,535 |
| Cost of sales | 23,303 | 23,824 |
| Gross profit | 14,343 | 15,710 |
| Selling, general and administrative expenses | | |
| Personnel expenses | 8,205 | 8,694 |
| Provision for directors' bonuses | 66 | 70 |
| Retirement benefit expenses | 205 | 176 |
| Provision of allowance for doubtful accounts | 7 | — |
| Other | 5,797 | 6,046 |
| Total selling, general and administrative expenses | 14,283 | 14,988 |
| Operating income | 59 | 722 |
| Non-operating income | | |
| Interest income | 8 | 9 |
| Dividend income | 114 | 107 |
| Share of profit of entities accounted for using equity method | 1 | — |
| Other | 163 | 236 |
| Total non-operating income | 287 | 354 |
| Non-operating expenses | | |
| Interest expenses | 26 | 25 |
| Foreign exchange loss | 19 | — |
| Other | 10 | 9 |
| Total non-operating expenses | 55 | 35 |
| Ordinary income | 291 | 1,041 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 1 | 12 |
| Other | 10 | 0 |
| Total extraordinary income | 12 | 12 |
| Extraordinary losses | | |
| Loss on sales and retirement of non-current assets | 102 | 48 |
| Impairment loss | — | 117 |
| Other | 4 | 13 |
| Total extraordinary losses | 106 | 179 |
| Income before income taxes and minority interest | 198 | 873 |
| Income taxes – current | 384 | 255 |
| Income taxes – deferred | △1 | 339 |
| Total income taxes | 383 | 595 |
| Profit (loss) | (185) | 278 |
| Profit (loss) attributable to non-controlling interests | (15) | (17) |
| Profit (loss) attributable to owners of parent | (170) | 295 |

Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

| | First 3 quarters of fiscal 2017 From: April 1, 2016 To: December 31, 2016 | First 3 quarters of fiscal 2018 From: April 1, 2017 To: December 31, 2017 |
|---|--|--|
| Profit (loss) | (185) | 278 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 121 | 331 |
| Foreign currency translation adjustment | (274) | 156 |
| Remeasurements of defined benefit plans, net of tax | (22) | (65) |
| Share of other comprehensive income of entities accounted for using equity method | 26 | (38) |
| Total other comprehensive income | (149) | 384 |
| Comprehensive income | (334) | 662 |
| [Comprehensive income attributable to] | | |
| Comprehensive income attributable to owners of parent | (297) | 680 |
| Comprehensive income attributable to non-controlling interests | (37) | (17) |

(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 3 Quarter of Fiscal 2018

Not applicable.

While not qualifying as a change in specified subsidiary, DAITO Marketing Solutions Inc. has been included in the scope of the Company's consolidation starting from the third quarter of fiscal 2018.

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 3 Quarters of Fiscal 2017 (from April 1, 2016 to December 31, 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 | 31,281 | 2,604 | 33,885 | 3,761 | 37,647 |
| Intersegment net sales or transfers | 73 | 274 | 347 | 177 | 524 |
| Total | 31,354 | 2,878 | 34,233 | 3,938 | 38,172 |
| Segment income (loss) | (60) | (44) | (104) | 100 | (3) |

[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 | (104) |
| Income of "Other" item | 100 |
| Eliminations of intersegment transactions | 63 |
| Operating income on quarterly consolidated statement of income | 59 |

II. First 3 Quarters of Fiscal 2018 (from April 1, 2017 to December 31, 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 | 32,698 | 2,665 | 35,363 | 4,171 | 39,535 |
| Intersegment net sales or transfers | 53 | 254 | 308 | 140 | 449 |
| Total | 32,752 | 2,919 | 35,671 | 4,312 | 39,984 |
| Segment income | 628 | 5 | 634 | 28 | 662 |

[Note] The "Other" item encompasses the selling of purchased products, provision of marketing solution 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 | 634 |
| Income of "Other" item | 28 |
| Eliminations of intersegment transactions | 59 |
| Operating income on quarterly consolidated statement of income | 722 |

Significant Subsequent Events

Stock Split and Partial Amendment to the Articles of Incorporation in Relation to the Stock Split

The Company at the meeting of its Board of Directors held on January 29, 2018, passed a resolution to implement a stock split and partially amend the Articles of Incorporation in relation to the stock split.

1. Purpose of the Stock Split

The purpose of the stock split is to raise the liquidity of the Company's stock and expand the investor base by reducing the Company's stock price per investment unit and providing an environment conducive to investments.

2. Outline of the Stock Split

(1) Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Saturday, March 31, 2018 (effectively Friday, March 30, 2018, as March 31, 2018 is a holiday for the administrator of the shareholder register) will be split into 1.5 shares.

(2) Number of shares to be increased by the stock split

| | |
|---|--------------------|
| Total number of issued shares prior to the stock split | 38,200,910 shares |
| The number of shares to be increased by the stock split | 19,100,455 shares |
| Total number of issued shares after the stock split | 57,301,365 shares |
| Total number of authorized shares after the stock split | 201,000,000 shares |

(3) Schedule of the stock split

| | |
|------------------------------|--------------------------|
| Public notice of record date | Monday, March 12, 2018 |
| Record date | Saturday, March 31, 2018 |
| Effective date | Sunday, April 1, 2018 |

(4) Other

No changes will be made to the amount of capital stock in connection with this stock split.

(5) Impact on per share information

Per share information, assuming that this stock split was implemented at the beginning of the previous fiscal year, is as follows:

| | First 3 quarters of fiscal 2017 From: April 1, 2016 To: December 31, 2016 | First 3 quarters of fiscal 2018 From: April 1, 2017 To: December 31, 2017 |
|-----------------------------|---|---|
| | yen | yen |
| Net income (loss) per share | (3.09) | 5.38 |

(Note) Statements of diluted net income per share are omitted for the first three quarters of fiscal 2017, as a loss was reported for net income per share and there were no shares with dilutive effects; while statements of diluted net income per share are also omitted for the first three quarters of fiscal 2018, as there were no shares with dilutive effects.

3. Partial Amendment to the Articles of Incorporation in Relation to the Stock Split

(1) Reason for the amendment

In conjunction with this stock split, the Company, pursuant to Article 184, Paragraph 2 of the Companies Act, will amend Article 6 (Total Number of Authorized Shares and Total Number of Authorized Preferred Shares) of its Articles of Incorporation, effective Sunday, April 1, 2018.

(2) Details of the amendment

The details of the amendment are as follows:

The statements of articles in the current Articles of Incorporation that are not subject to the amendment have been omitted.

(Changes have been underlined)

| Before the amendment | After the amendment |
|---|--|
| <p>(Total Number of Authorized Shares and Total Number of Authorized Preferred Shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>134,000</u> thousand shares and the total number of shares of each class authorized to be issued by the Company shall be as follows: Common shares: <u>134,000</u> thousand shares Class 1 preferred shares: <u>67,000</u> thousand shares</p> | <p>(Total Number of Authorized Shares and Total Number of Authorized Preferred Shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>201,000</u> thousand shares and the total number of shares of each class authorized to be issued by the Company shall be as follows: Common shares: <u>201,000</u> thousand shares Class 1 preferred shares: <u>100,500</u> thousand shares</p> |

(3) Schedule of the amendment

| | |
|---|--------------------------|
| Resolution of the meeting of the Board of Directors | Monday, January 29, 2018 |
| Effective date | Sunday, April 1, 2018 |

3. Supplementary Information

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

| Business category | First 3 quarters of fiscal 2017 | First 3 quarters of fiscal 2018 | Amount of increase (decrease) | Rate of increase (decrease) | Main products |
|---------------------|---------------------------------|---------------------------------|-------------------------------|-----------------------------|---|
| | million yen | million yen | million yen | % | |
| Publishing business | 4,950 | 4,787 | (162) | (3.3) | Printed residential maps, special-purpose maps, purchased products, and various media |
| GIS business | 8,880 | 9,824 | 944 | 10.6 | Residential map databases |
| ICT business | 8,053 | 7,506 | (546) | (6.8) | Services for smartphones, and map data provision for internet services |
| ITS business | 8,585 | 10,204 | 1,619 | 18.9 | Data for Japanese in-car navigation systems |
| Global business | 1,860 | 1,528 | (331) | (17.8) | Data for overseas in-car navigation systems, and various overseas content |
| Other business | 5,318 | 5,682 | 363 | 6.8 | General printing goods, Provision of marketing solution service |
| Total | 37,647 | 39,535 | 1,888 | 5.0 | |