

Financial Summary for Fiscal 2019 [Japanese GAAP] [Consolidated]

April 26, 2019

Name of listed company: ZENRIN Co., Ltd.	Stock exchange listings: Tokyo and Fukuoka
Securities code: 9474	URL: https://www.zenrin.co.jp/
Representative: [Title] President and CEO	TEL: +81-93-882-9050
[Name] Zenshi Takayama	
Contact: [Title] Executive Officer and Head of Corporate Management Division	
[Name] Yumiko Toshima	
Scheduled date of holding of ordinary general meeting of shareholders: June 14, 2019	
Scheduled date of submission of annual securities report: June 17, 2019	
Scheduled date of commencement of dividend payouts: June 17, 2019	
Preparation of supplementary explanatory materials on financial results: Yes	
Holding of briefing session on financial results: Yes (briefing for institutional investors and analysts)	

[Amounts are rounded down to the nearest million yen]

1. Consolidated Results of Operations in Fiscal 2019

ZENRIN's fiscal 2019 is the period from April 1, 2018 to March 31, 2019.

(1) Consolidated Business Performance

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal 2019	63,747	3.9	5,824	7.0	6,200	5.7	3,206	(3.9)
Fiscal 2018	61,332	6.1	5,441	28.5	5,863	29.5	3,336	35.5

[Note] Comprehensive income Fiscal 2019: 3,296 million yen [(20.2%)] Fiscal 2018: 4,129 million yen [28.3%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Fiscal 2019	61.15	57.55	8.1	8.8	9.1
Fiscal 2018	60.75	60.66	8.2	8.6	8.9

[Reference] Share of profit (loss) of entities accounted for using equity method Fiscal 2019: — million yen
Fiscal 2018: — million yen

[Note1] Effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. "Earnings per share" and "Diluted earnings per share" have been calculated as if the stock split was carried out at the beginning of the previous consolidated fiscal year.

[Note2] Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of fiscal 2019 (Year ending March 31, 2019), and the figures in the consolidated business performance for fiscal 2018 (Year ending March 31, 2018) reflect the retrospective application of this accounting standard.

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
	million yen	million yen	%	yen
Fiscal 2019	69,932	41,722	56.7	759.18
Fiscal 2018	71,668	40,822	54.9	745.46

[Reference] Equity Fiscal 2019: 39,686 million yen Fiscal 2018: 39,342 million yen

[Note1] Effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. "Net assets per share" has been calculated as if the stock split was carried out at the beginning of the previous consolidated fiscal year.

[Note2] Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of fiscal 2019 (Year ending March 31, 2019), and the figures in the consolidated financial position for fiscal 2018 (Year ending March 31, 2018) reflect the retrospective application of this accounting standard.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal 2019	9,035	(5,016)	(3,287)	12,240
Fiscal 2018	10,783	(5,392)	(668)	11,542

2. Dividends

	Annual dividend					Total dividends million yen	Payout ratio [Consolidated] %	Ratio of dividends to net assets [Consolidated] %
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen			
Fiscal 2018	—	17.50	—	17.50	35.00	1,266	38.4	3.1
Fiscal 2019	—	12.00	—	12.00	24.00	1,263	39.2	3.2
Fiscal 2020 [forecast]	—	12.50	—	12.50	25.00		32.7	

[Note] Effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. For the fiscal year ended in March 2018, actual dividend amounts before the stock split are stated.

3. Forecast for Consolidated Results of Operations in Fiscal 2020

ZENRIN's fiscal 2020 is the period from April 1, 2019 to March 31, 2020

[% 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		Profit attributable to owners of parent		Earnings per share
	million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
First 2 quarters [cumulative]	27,800	(1.3)	0	(100.0)	0	(100.0)	0	(100.0)	0.00
Fiscal year	63,800	0.1	5,900	1.3	6,300	1.6	4,000	24.7	76.52

ATTACHMENT

1. Analysis of Business Performance

(1) Overview of Business Performance for Fiscal 2019

1. Business Performance for Fiscal 2019

In fiscal 2019 (from April 1, 2018 to March 31, 2019), 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.

In such an environment, the ZENRIN Group reported business performance in fiscal 2019 as follows: net sales of 63,747 million yen (increased 2,415 million yen, or up 3.9%, compared to the previous fiscal year), operating income of 5,824 million yen (increased 382 million yen, or up 7.0%, compared to the previous fiscal year), ordinary income of 6,200 million yen (increased 337 million yen, or up 5.7%, compared to the previous fiscal year) and profit attributable to owners of parent of 3,206 million yen (decreased 129 million yen, or down 3.9%, compared to the previous fiscal year mainly due to recognition of impairment loss on goodwill of 428 million yen under extraordinary loss in connection with Abalta Technologies, Inc. , which is a consolidated subsidiary of the Company).

The following outlines the status of Segment Results in fiscal 2019.

Map Database Segment

The Map Database segment, which is the ZENRIN Group's core businesses, reported increased sales related to IoT business including contract development , in addition to firm sales of residential map data services to corporate and local government customers. In terms of expenses, an increase in cost of sales including the commission fee and outsourcing fees, was reported in conjunction with increased revenues.

As a result of the foregoing, the Map Database segment reported net sales of 52,705 million yen (increased 1,352 million yen, or up 2.6%, compared to the previous fiscal year) and segment income of 5,277 million yen (increased 290 million yen, or up 5.8%, compared to the previous fiscal year)

General Printing Segment

The General Printing segment reported net sales of 3,916 million yen (increased 182 million yen, or up 4.9%, compared to the previous fiscal year) and segment income of 149 million yen (increased 67 million yen, or up 83.3%, compared to the previous fiscal year).

Other

The segment other than the Map Database segment and the General Printing segment reported net sales of 7,124 million yen (increased 880 million yen, or up 14.1%, compared to the previous fiscal year) and segment income of 317 million yen (increased 24 million yen, or up 8.4%, compared to the previous fiscal year).

Reportable Segment Information

1. Overview of Reportable Segments

Reportable segments of the ZENRIN Group are components of the ZENRIN Group for which discrete financial information is available and which are regularly reviewed by ZENRIN's board of directors in deciding how to allocate resources and in assessing performance.

The ZENRIN Group, mainly upon selling products related to map database to external customers, engages in an integrated map database business in which production (research/input and editing/processing, etc.) and sales (product sales/distribution, etc.) are divided among ZENRIN and the subsidiaries. On top of this, the Group is engaged in general printing business which conducts planning and designing as well as manufacturing and selling of commercial printing goods and other businesses.

Accordingly, the ZENRIN Group sets two segments - the Map Database segment and the General Printing segment – as its reportable segments, and other businesses are classified as "Other".

The Map Database segment manufactures and sells printed residential maps, special-purpose maps, residential map databases, map data for internet services, data for in-car navigation systems, etc., and provides services for smartphone. The General Printing segment manufactures and sells general printing goods.

2. Basis for Calculating Reportable Segment Net Sales, Income or Loss, Assets, Liabilities and Other Account Items

Reportable segment income is the value on an operating income basis.

Intersegment sales or transfers are based on actual market price.

Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of fiscal 2019 (Year ending March 31, 2019), and the figures for fiscal 2018 (Year ending March 31, 2018) reflect the retrospective application of this accounting standard.

(Change in the number of years to amortize actuarial gain/loss and past service costs in the accounting for retirement benefits)

The Company and certain domestic consolidated subsidiaries previously amortized actuarial gain/loss and past services costs in the accounting of retirement benefits over a certain number of years within the average remaining years of service of employees, i.e. 15 years. Effective from the beginning of fiscal 2019, however, the amortization period has been changed to 13 years due to the average remaining years of service falling below 15 years.

As a result, segment income for fiscal 2019 has increased by 194 million yen for the Map Database segment, by 22 million yen for the General Printing segment, and by 4 million for the Other segment, compared to the previous method.

3. Information on Reportable Segment Net Sales, Income or Loss, Assets, Liabilities and Other Account Items

Fiscal 2018 (from April 1, 2017 to March 31,2018)

[Unit: million yen]

	Reportable segments			Other [Note]	Total
	Map Database segment	General Printing segment	Total		
Net sales					
Net sales to external customers	51,353	3,734	55,087	6,244	61,332
Intersegment net sales or transfers	90	623	714	213	927
Total	51,443	4,358	55,801	6,458	62,259
Segment income (loss)	4,987	81	5,069	293	5,362
Segment assets	43,991	6,392	50,383	3,299	53,683
Other account items					
Depreciation and amortization	5,243	194	5,437	41	5,479
Amortization of goodwill	229	5	235	242	477
Additions to property, plant and equipment and intangible assets	4,636	246	4,882	59	4,941

[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.

Fiscal 2019 (from April 1, 2018 to March 31,2019)

[Unit: million yen]

	Reportable segments			Other [Note]	Total
	Map Database segment	General Printing segment	Total		
Net sales					
Net sales to external customers	52,705	3,916	56,622	7,124	63,747
Intersegment net sales or transfers	179	714	893	243	1,136
Total	52,884	4,630	57,515	7,368	64,883
Segment income (loss)	5,277	149	5,427	317	5,745
Segment assets	44,570	6,050	50,620	3,311	53,932
Other account items					
Depreciation and amortization	5,187	196	5,384	33	5,417
Amortization of goodwill	226	—	226	231	458
Additions to property, plant and equipment and intangible assets	5,024	47	5,071	136	5,208

[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.

4. Difference between Total for Reportable Segments and Amount on Consolidated Financial Statements, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)

[Unit: million yen]

Net sales	Fiscal 2018	Fiscal 2019
Total for reportable segments	55,801	57,515
Net sales of "Other" item	6,458	7,368
Eliminations of intersegment transactions	(927)	(1,136)
Net sales on consolidated financial statements	61,332	63,747

[Unit: million yen]

Income	Fiscal 2018	Fiscal 2019
Total for reportable segments	5,069	5,427
Income of "Other" item	293	317
Eliminations of intersegment transactions	79	79
Operating income on consolidated financial statements	5,441	5,824

[Unit: million yen]

Assets	Fiscal 2018	Fiscal 2019
Total for reportable segments	50,383	50,620
Assets of "Other" item	3,299	3,311
Corporate assets [Note]	18,340	16,400
Eliminations of intersegment transactions	(355)	(400)
Total assets on consolidated financial statements	71,668	69,932

[Note] Corporate assets are primarily surplus management funds (cash and deposits), long-term investment funds (investment securities) and assets related to administrative departments that are not attributable to reportable segments.

[Unit: million yen]

Other account items	Total for reportable segments		Other		Reconciliation		Amount on consolidated financial statements	
	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019
Depreciation and amortization	5,437	5,384	41	33	53	54	5,532	5,472
Amortization of goodwill	235	226	242	231	—	—	477	458
Additions to property, plant and equipment and intangible assets	4,882	5,071	59	136	18	5	4,960	5,214

[Note] Reconciliation of additions to property, plant and equipment and intangible assets is for capital investments in buildings, etc. that are not attributable to reportable segments.

Per Share Information

	Fiscal 2018 From: April 1, 2017 To: March 31, 2018	Fiscal 2019 From: April 1, 2018 To: March 31, 2019
	(yen)	(yen)
Net assets per share	745.46	759.18
Net income per share	60.75	61.15
Diluted earnings per share	60.66	57.55

[Note 1] Effective April 1, 2018, the Company conducted a stock split based on the resolution at the meeting of its Board of Directors held on January 29, 2018. Each share of common stock was split into 1.5 shares. Net assets per share, earnings per share and diluted earnings per share have been calculated as if the stock split was carried out at the beginning of the previous consolidated fiscal year.

[Note 2] The Company's shares held by Trust & Custody Services Bank, Ltd. (Trust E account) as trust assets under the Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP) are included in the number of treasury shares that are deducted from the total number of shares outstanding at the end of the fiscal year for reason of calculation of net assets per share (375,000 shares for the previous consolidated fiscal year, 356,000 shares for the consolidated fiscal year under review).

They are also included in the number of treasury shares that are deducted from the average number of shares outstanding in the fiscal year for reason of calculation of earnings per share (375,000 shares for the previous consolidated fiscal year, 363,000 shares for the consolidated fiscal year under review).

[Note 3] Earnings per share and diluted earnings per share are calculated under the following calculation basis

	Fiscal 2018 From: April 1, 2017 To: March 31, 2018	Fiscal 2019 From: April 1, 2018 To: March 31, 2019
Net Income Per Share		
Profit attributable to owners of parent (million yen)	3,336	3,206
Amount not attributable to common stock (million yen)	—	—
Profit attributable to owners of parent on common stock (million yen)	3,336	3,206
Average number of common shares outstanding in the fiscal year (thousand shares)	54,917	52,445
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (million yen)	(0)	(33)
Write-off in the fiscal year (after deduction of tax equivalent) (million yen)	(0)	(33)
fees (after deduction of tax equivalent) (million yen)	—	0
Increase in the number of common shares (thousand shares)	66	2,702
Convertible bond-type bonds with subscription rights to shares (thousand shares)	66	2,702
Summary of diluted shares that were not included in the calculation of diluted earnings per share because they did not have dilutive effect.	—	—

[Note4] Net assets per share are calculated under the following calculation basis.

	Fiscal 2018 From: April 1, 2017 To: March 31, 2018	Fiscal 2019 From: April 1, 2018 To: March 31, 2019
Total amount in net assets (million yen)	40,822	41,722
Amount deducted from the total amount in net assets (million yen)	1,480	2,036
Non-controlling interests (million yen)	1,480	2,036
Net assets at the end of the fiscal year on common stock (million yen)	39,342	39,686
Number of common shares at the end of the fiscal year used in the calculation of net assets per share (thousand shares)	52,775	52,275

Significant Subsequent Events

Not applicable.

2. Forecast for Fiscal 2020

In the Japanese economy moving forward, although a moderate economic recovery is expected against the backdrop of the continued recovery in employment and the income situation, the future economy remains uncertain because of the weaknesses in a part of exports and production.

Under such an environment, the forecast of consolidated results for fiscal 2020 expects net sales of 63,800 million yen (increase of 52 million yen, or up 0.1%, compared to fiscal 2019), operating income of 5,900 million yen (increase of 75 million yen, or up 1.3%, compared to fiscal 2019), ordinary income of 6,300 million yen (increase of 99 million yen, or up 1.6%, compared to fiscal 2019) and profit attributable to owners of parent of 4,000 million yen (increase of 793 million yen, or up 24.7%, compared to fiscal 2019).

(2) Overview of Financial Position for Fiscal 2019

1. Overview of Fiscal 2019

Total assets at the end of fiscal 2019 stood at 69,932 million yen (decreased 1,736 million yen, or down 2.4%, compared to at the end of fiscal 2018). This was attributable to a decrease in trade notes and accounts receivable due to the collection of trade receivables, and a decrease in goodwill due to amortization and impairment.

Liabilities stood at 28,209 million yen (decreased 2,636 million yen, or down 8.5%, compared to at the end of fiscal 2018). This was mainly attributable to a decrease in income taxes payable due to decrease taxable income and a decrease in notes and trade accounts payable due to payment.

Net assets stood at 41,722 million yen (increased 900 million yen, or up 2.2%, compared to at the end of fiscal 2018). This was mainly attributable to the recognition of profit attributable to owners of parent despite a dividend of surplus and the purchase of treasury shares.

As a result, the ratio of equity to total assets at the end of fiscal 2019 was 56.7% (up 1.8 points compared to at the end of fiscal 2018).

Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of fiscal 2019, and comparison of financial condition is based on the figures as of March 31, 2018 after retrospective application.

The following outlines the status of cash flows in fiscal 2019.

Cash and cash equivalents at the end of fiscal 2019 stood at 12,240 million yen (increased 697 million yen, or up 6.0%, compared to at the end of fiscal 2018).

Cash Flows from Operating Activities

Net cash provided by operating activities stood at 9,035 million yen (decreased 1,747 million yen compared to the previous fiscal year). This was attributable to profit before income taxes in the amount of 5,519 million yen, income taxes paid in the amount of 2,395 million yen, being offset by depreciation and amortization in the amount of 5,472 million yen, a decrease in notes and accounts receivable in the amounts of 908 million yen, and other factors of increase.

Cash Flows from Investing Activities

Net cash used in investing activities stood at 5,016 million yen (decreased 375 million yen compared to the previous fiscal year), although 250 million yen was earned due to a net decrease in time deposits. This was mainly attributable to purchases of property, plant and equipment and intangible assets in the amount of 5,077 million yen.

Cash Flows from Financing Activities

Net cash used in financing activities stood at 3,287 million yen (increased 2,619 million yen compared to the previous fiscal year). This was mainly attributable to purchase of treasury shares in the amount of 1,520 million yen, cash dividends paid in the amount of 1,250 million yen, repayments of lease obligations in the amount of 703 million yen.

2. Changes in Cash Flow Indicators

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Ratio of equity to total assets [%]	64.4	67.1	64.6	54.9	56.7
Ratio of equity to total assets [%] (market value basis)	87.2	138.7	133.3	165.5	183.2
Ratio of interest-bearing liabilities to operating cash flows [years]	0.9	0.4	0.4	1.0	1.2
Interest coverage ratio [times]	189.6	243.5	261.5	337.3	425.5

[Notes] Each indicator is calculated in accordance with the following formulas, using consolidated financial figures.

- Ratio of equity to total assets: $\text{Equity} / \text{Total assets}$
- Ratio of equity to total assets (market value basis): $\text{Market capitalization} / \text{Total assets}$
 *Market capitalization is calculated by multiplying the number of shares issued and outstanding at the end of the fiscal year (excluding treasury shares) by the closing price per share at the end of the fiscal year.
- Ratio of interest-bearing liabilities to operating cash flows: $\text{Interest-bearing liabilities} / \text{Operating cash flows}$
 *Operating cash flows are the net cash provided by (used in) operating activities recorded on consolidated statement of cash flows.
 *Interest-bearing liabilities include all liabilities recorded on consolidated balance sheets on which interest is paid.
- Interest coverage ratio: $\text{Operating cash flows} / \text{Interest paid}$
 *Interest paid is the interest expenses paid recorded on consolidated statement of cash flows.

(3) Basic Policy on Distribution of Income, and Payment of Dividends in Fiscal 2018 and 2019

Positioning the returning of income to shareholders as a top priority, ZENRIN adopts a basic policy of realizing stable, uninterrupted payments of dividends derived from income growth based on the medium- to long-term business plan on a consolidated basis. Under this policy, ZENRIN will aim for a dividend equity (DOE) [Note] on a consolidated basis of 3% or higher while maintaining dividends at the current level.

In addition, by continuing to consider purchasing treasury shares and other undertakings with the aim of ensuring an agile capital policy and enhancing capital efficiency, ZENRIN will 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.

The internal reserves will be used for capital investment, research and development investment and other expenditures that are indispensable for business development in the future in order to keep pace with the rapid market changes.

ZENRIN expects 12 yen as the year-end dividend per share in fiscal 2019 based on the above policy. Combined with 12 yen already paid as the interim dividend per share, annual dividend per share is expected to be 24 yen.

In addition, effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. Therefore, this is equal to 36 yen as the year-end dividend per share, an increase of 1 yen, according to the calculation based on the standard before the stock split.

Please note that this matter will be decided by resolution at ZENRIN's 59th ordinary general meeting of shareholders that is scheduled to be held on June 14, 2019.

ZENRIN expects 25 yen as the annual dividend per share for the next fiscal year, with 12.5 yen as both the interim dividend per share and the year-end dividend per share.

[Note] Dividend on equity on a consolidated basis (DOE) = Total amount of dividends / Shareholders' equity

Shareholders' equity is the amount arrived at when the amount of treasury shares is subtracted from the sum total of common stock, capital surplus and retained earnings.

2. Basic approach to the selection of accounting standards

As a basic policy, the ZENRIN Group will continue to prepare its consolidated financial statements under the Japanese standards, in consideration of the comparability of its consolidated financial statements between periods and corporations.

Meanwhile, we intend to address the future application of IFRS appropriately upon taking into careful consideration various circumstances both in Japan and abroad surrounding the ZENRIN Group.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	[Unit: million yen]	
	Fiscal 2018	Fiscal 2019
	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	11,856	12,295
Notes and accounts receivable – trade	14,926	14,001
Electronically recorded monetary claims – operating	182	183
Securities	11	37
Merchandise and finished goods	768	887
Work in process	371	477
Raw materials and supplies	59	74
Other	1,679	1,205
Allowance for doubtful accounts	(55)	(26)
Total current assets	29,801	29,135
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,922	4,653
Machinery, equipment and vehicles, net	213	153
Land	7,574	7,534
Leased assets, net	2,159	1,865
Construction in progress	45	20
Other, net	551	771
Total property, plant and equipment	15,466	14,998
Intangible assets		
Goodwill	1,100	200
Software	11,502	10,665
Leased assets	79	58
Other	1,765	2,530
Total intangible assets	14,447	13,454
Investments and other assets		
Investment securities	4,509	5,809
Long-term loans receivable	14	9
Net defined benefit asset	4,065	3,530
Deferred tax assets	1,928	1,482
Other	1,651	1,723
Allowance for doubtful accounts	(215)	(212)
Total investments and other assets	11,952	12,343
Total non-current assets	41,867	40,796
Total assets	71,668	69,932

[Unit: million yen]

	Fiscal 2018	Fiscal 2019
	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,509	3,054
Short-term loans payable	1,515	1,350
Lease obligations	671	526
Accrued expenses	4,820	4,821
Income taxes payable	1,793	901
Advances received	3,944	3,748
Provision for directors' bonuses	171	167
Provision for sales returns	3	3
Other	2,683	2,168
Total current liabilities	19,112	16,741
Non-current liabilities		
Bonds payable	8,238	8,191
Long-term loans payable	1,050	1,050
Lease obligations	1,150	810
Deferred tax liabilities	341	622
Provision for directors' retirement benefits	135	132
Provision for management board benefit trust	44	52
Net defined benefit liability	291	283
Asset retirement obligations	47	48
Other	433	278
Total non-current liabilities	11,733	11,467
Total liabilities	30,846	28,209
Net assets		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,488	13,624
Retained earnings	24,497	26,453
Treasury shares	(7,338)	(8,833)
Total shareholders' equity	37,205	37,801
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	744	1,289
Foreign currency translation adjustment	173	100
Remeasurements of defined benefit plans	1,218	495
Total accumulated other comprehensive income	2,136	1,885
Non-controlling interests	1,480	2,036
Total net assets	40,822	41,722
Total liabilities and net assets	71,668	69,932

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**Consolidated Statement of Income**

[Unit: million yen]

	Fiscal 2018	Fiscal 2019
	From: April 1, 2017 To: March 31, 2018	From: April 1, 2018 To: March 31, 2019
Net sales	61,332	63,747
Cost of sales	35,345	36,874
Gross profit	25,986	26,873
Selling, general and administrative expenses		
Personnel expenses	11,776	12,401
Provision for directors' bonuses	175	167
Provision for management board benefit trust	22	15
Retirement benefit expenses	235	61
Other	8,335	8,402
Total selling, general and administrative expenses	20,544	21,048
Operating profit	5,441	5,824
Non-operating income		
Interest income	12	12
Dividend income	112	101
Real estate rent	53	63
Subsidy income	11	113
Other	316	204
Total non-operating income	507	496
Non-operating expenses		
Interest expenses	32	21
Foreign exchange losses	—	27
Commission for purchase of treasury shares	4	26
Subsidy repayment loss	—	22
Bond issuance cost	34	—
Other	15	22
Total non-operating expenses	86	120
Ordinary profit	5,863	6,200
Extraordinary income		
Gain on sales of non-current assets	12	14
State subsidy	2	3
Other	0	—
Total extraordinary income	15	18
Extraordinary losses		
Loss on sales and retirement of non-current assets	108	92
Impairment loss	230	560
Other	13	45
Total extraordinary losses	352	699
Profit before income taxes	5,526	5,519
Income taxes – current	2,230	1,547
Income taxes – deferred	(151)	657
Total income taxes	2,078	2,205
Profit	3,447	3,314
Profit attributable to non-controlling interests	111	107
Profit attributable to owners of parent	3,336	3,206

Consolidated Statement of Comprehensive Income

	[Unit: million yen]	
	Fiscal 2018	Fiscal 2019
	From: April 1, 2017 To: March 31, 2018	From: April 1, 2018 To: March 31, 2019
Profit	3,447	3,314
Other comprehensive income		
Valuation difference on available-for-sale securities	302	777
Foreign currency translation adjustment	193	(73)
Remeasurements of defined benefit plans, net of tax	224	(722)
Share of other comprehensive income of entities accounted for using equity method	(38)	—
Total other comprehensive income	682	(18)
Comprehensive income	4,129	3,296
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	4,018	2,955
Comprehensive income attributable to non-controlling interests	111	340

(3) Consolidated Statement of Changes in Equity**Fiscal 2018 (from April 1, 2017 to March 31, 2018)**

[Unit: million yen]

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,557	13,491	22,750	(2,192)	40,607
Changes of items during period					
Dividends of surplus			(1,292)		(1,292)
Profit attributable to owners of parent			3,336		3,336
Purchase of treasury shares				(5,146)	(5,146)
Disposal of treasury shares					—
Changes of scope of consolidation			(295)		(295)
Change in treasury shares of parent Arising from transactions with non- Controlling shareholders		(3)			(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(3)	1,747	(5,146)	(3,401)
Balance at end of current period	6,557	13,488	24,497	(7,338)	37,205

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	441	18	993	1,454	1,401	43,463
Changes of items during period						
Dividends of surplus						(1,292)
Profit attributable to owners of parent						3,336
Purchase of treasury shares						(5,146)
Disposal of treasury shares						—
Changes of scope of consolidation						(295)
Change in treasury shares of parent Arising from transactions with non- Controlling shareholders						(3)
Net changes of items other than shareholders' equity	302	155	224	682	78	760
Total changes of items during period	302	155	224	682	78	(2,640)
Balance at end of current period	744	173	1,218	2,136	1,480	40,822

Fiscal 2019 (from April 1, 2018 to March 31, 2019)

[Unit: million yen]

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,557	13,488	24,497	(7,338)	37,205
Changes of items during period					
Dividends of surplus			(1,251)		(1,251)
Profit attributable to owners of parent			3,206		3,206
Purchase of treasury shares				(1,520)	(1,520)
Disposal of treasury shares		0		25	26
Changes of scope of consolidation					—
Change in treasury shares of parent Arising from transactions with non- Controlling shareholders		135			135
Net changes of items other than shareholders' equity					
Total changes of items during period	—	135	1,955	(1,495)	595
Balance at end of current period	6,557	13,624	26,453	(8,833)	37,801

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	744	173	1,218	2,136	1,480	40,822
Changes of items during period						
Dividends of surplus						(1,251)
Profit attributable to owners of parent						3,206
Purchase of treasury shares						(1,520)
Disposal of treasury shares						26
Changes of scope of consolidation						—
Change in treasury shares of parent Arising from transactions with non- Controlling shareholders						135
Net changes of items other than shareholders' equity	544	(73)	(722)	(251)	555	304
Total changes of items during period	544	(73)	(722)	(251)	555	900
Balance at end of current period	1,289	100	495	1,885	2,036	41,722

(4) Consolidated Statement of Cash Flows

[Unit: million yen]

	Fiscal 2018	Fiscal 2019
	From: April 1, 2017 To: March 31, 2018	From: April 1, 2018 To: March 31, 2019
Cash flows from operating activities		
Profit before income taxes	5,526	5,519
Depreciation	5,532	5,472
Impairment loss	230	560
Amortization of goodwill	477	458
Decrease (increase) in net defined benefit asset	(177)	(507)
Increase (decrease) in net defined benefit liability	12	(8)
Interest and dividend income	(125)	(114)
Interest expenses	32	21
Loss (gain) on sales and retirement of non-current assets	95	78
Decrease (increase) in notes and accounts receivable – trade	(307)	908
Decrease (increase) in inventories	12	(240)
Increase (decrease) in notes and accounts payable – trade	709	(436)
Increase (decrease) in accrued expenses	487	23
Increase (decrease) in advances received	377	(185)
Increase (decrease) in accrued consumption taxes	270	(153)
Other	(120)	(75)
Subtotal	13,032	11,320
Interest and dividend income received	117	131
Interest expenses paid	(31)	(21)
Income taxes paid	(2,335)	(2,395)
Net cash provided by (used in) operating activities	10,783	9,035
Cash flows from investing activities		
Net decrease (increase) in time deposits	678	250
Proceeds from sales of property, plant and equipment	42	105
Purchase of property, plant and equipment and intangible assets	(4,488)	(5,077)
Purchase of investment securities	(569)	(181)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(921)	–
Payments for the unpaid portion of purchase of shares of subsidiaries resulting in change in scope of consolidation	(114)	△117
Other	(18)	3
Net cash provided by (used in) investing activities	(5,392)	(5,016)
Cash flows from financing activities		
Net decrease (increase) in short-term loans payable	(550)	–
Proceeds from long-term loans payable	550	–
Repayments of long-term loans payable	(1,576)	(165)
Proceeds from issuance of bonds	8,240	–
Repayments of lease obligations	(842)	(703)
Purchase of treasury shares	(5,146)	(1,520)
Cash dividends paid	(1,292)	(1,250)
Dividends paid to non-controlling interests	(18)	(23)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	109
Proceeds from share issuance to non-controlling shareholders	–	264
Other	(32)	1
Net cash provided by (used in) financing activities	(668)	(3,287)
Effect of exchange rate change on cash and cash equivalents	1	(32)
Net increase (decrease) in cash and cash equivalents	4,724	697
Cash and cash equivalents at beginning of period	6,817	11,542
Cash and cash equivalents at end of period	11,542	12,240

(5) Notes to Consolidated Financial Statements

Notes on the Going Concern Assumption

Not applicable.

Changes in accounting estimates

(Change in the number of years to amortize actuarial gain/loss and past service costs in the accounting for retirement benefits)

The Company and certain domestic consolidated subsidiaries previously amortized actuarial gain/loss and past services costs in the accounting of retirement benefits over a certain number of years within the average remaining years of service of employees, i.e. 15 years. Effective from the beginning of fiscal 2019, however, the amortization period has been changed to 13 years due to the average remaining years of service falling below 15 years. Consequently, operating income, ordinary income and income before income taxes for fiscal 2019 have increased by 221 million yen, respectively, compared to the previous method.

4. Other

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

Business composition	Fiscal 2018	Fiscal 2019	Amount of increase (decrease)	Rate of increase (decrease)	Main items
	million yen	million yen	million yen	%	
Product business	14,060	14,482	422	3.0	(for corporate customers) Printed residential maps, BLUE MAPS GIS Package products, Residential map data
Public Solution business	6,091	6,798	707	11.6	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Map Design business	1,217	1,201	(15)	(1.2)	Special-purpose maps, Map design stationary "mati mati" series, Original map design goods, Printed books
Automotive business	18,407	18,638	231	1.3	Data contents for Japanese in-car navigation systems, High-precision 3D data for AD/ADAS
IoT business	13,865	14,599	734	5.3	Services for smartphones, Map data for internet services, Provision of location based services
Marketing Solution business	7,690	8,025	335	4.4	Provision of Marketing Solution, General commercial printing
Total	61,332	63,747	2,415	3.9	

[Note] Effective from the 1st quarter of fiscal 2019, business segments have been revised under the Medium- to Long-term Business Plan ZGP2020, and quantities have been aggregated under the new segments.