

**ZENRIN**

Securities Code: 9474

**Results for First 3 Quarters of  
Fiscal 2019** (Year Ending March 31, 2019)

January 29, 2019

**ZENRIN Co., Ltd.**

Maps to the Future

1. Results for First 3 Quarters of Fiscal 2019
2. Earnings Forecast for Fiscal 2019
3. Appendix

Note: This document contains forward-looking statements based on assumptions, forecasts and plans in light of information available to ZENRIN Co., Ltd. as of the preparation date of this document. Actual performance may vary significantly from the forecast figures due to various risks and uncertainties owing to global economic trends, market demand, status of competition, exchange fluctuations and other factors.

The information that appears in this document rounds down fractions to the nearest specified unit and rounds off decimals in the percentage of change to the first decimal place.

In addition, cases where the percentage of change exceeds 1000% and cases where one or both of the items of comparison are negative are shown as “-.”

# 1. Results for First 3 Quarters of Fiscal 2019

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

# 1-1) Overview of Results

## Key Points of Results for First 3 Quarters of Fiscal 2019

Compared to Fiscal 2018 <increase in sales and income>

- Net sales increased for four consecutive periods.
- Operating income, ordinary income and profit attributable to owners of parent increased for two consecutive periods.
- Automotive business and IoT business were strong.
- Cost of sales including outsourcing fees and commission fees increased in conjunction with increased revenues.

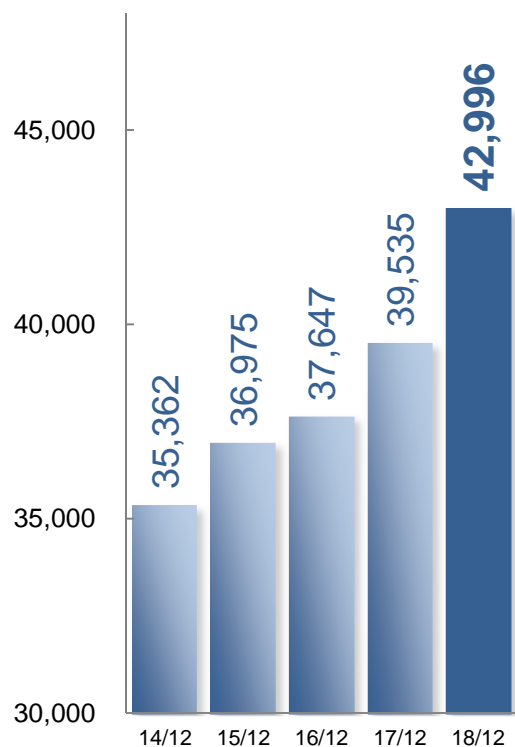
(Amounts in million yen)

	First 3Qs of FY2018 Actual	First 3Qs of FY2019 Actual	Compared to First 3Qs of FY2018	% of Change
Net Sales	39,535	42,996	3,461	8.8
Operating Expenses	38,812	41,433	2,620	6.8
Operating Income	722	1,563	841	116.4
Operating Margin	1.8%	3.6%	1.8pt	
Ordinary Income	1,041	1,877	835	80.2
Profit Attributable to Owners of Parent	295	1,017	721	243.8

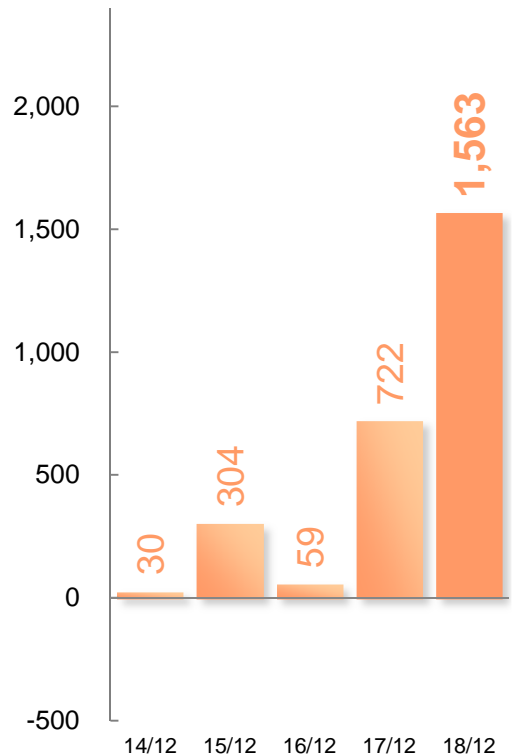
# 1-2) Changes in Net Sales, Income and Profit

(Amounts in million yen)

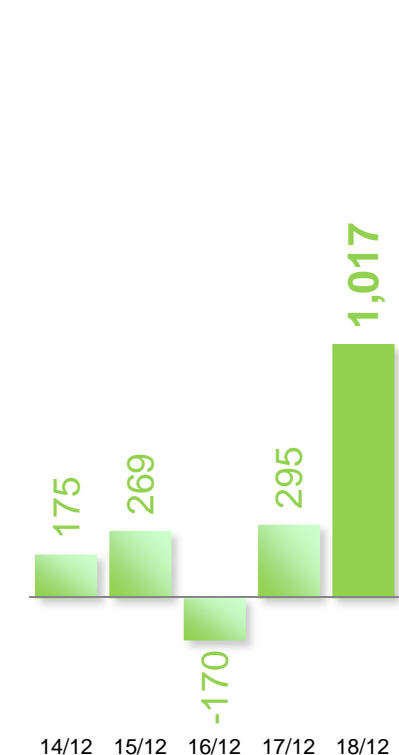
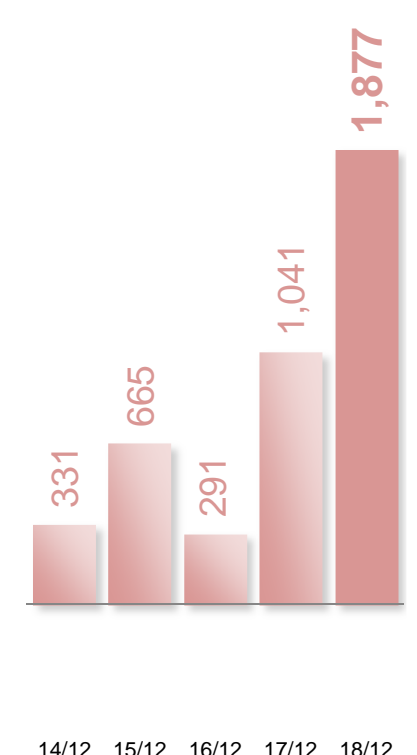
Compared to First 3Qs of FY2018	<b>Net Sales</b>	<b>Operating Income</b>	<b>Ordinary Income</b>	<b>Profit Attributable to Owners of Parent</b>
	<b>Up 3,461 (+8.8%)</b>	<b>Up 841 (+116.4%)</b>	<b>Up 835 (+80.2%)</b>	<b>Up 721 (+243.8%)</b>



Increase in sales for four consecutive periods / Record high

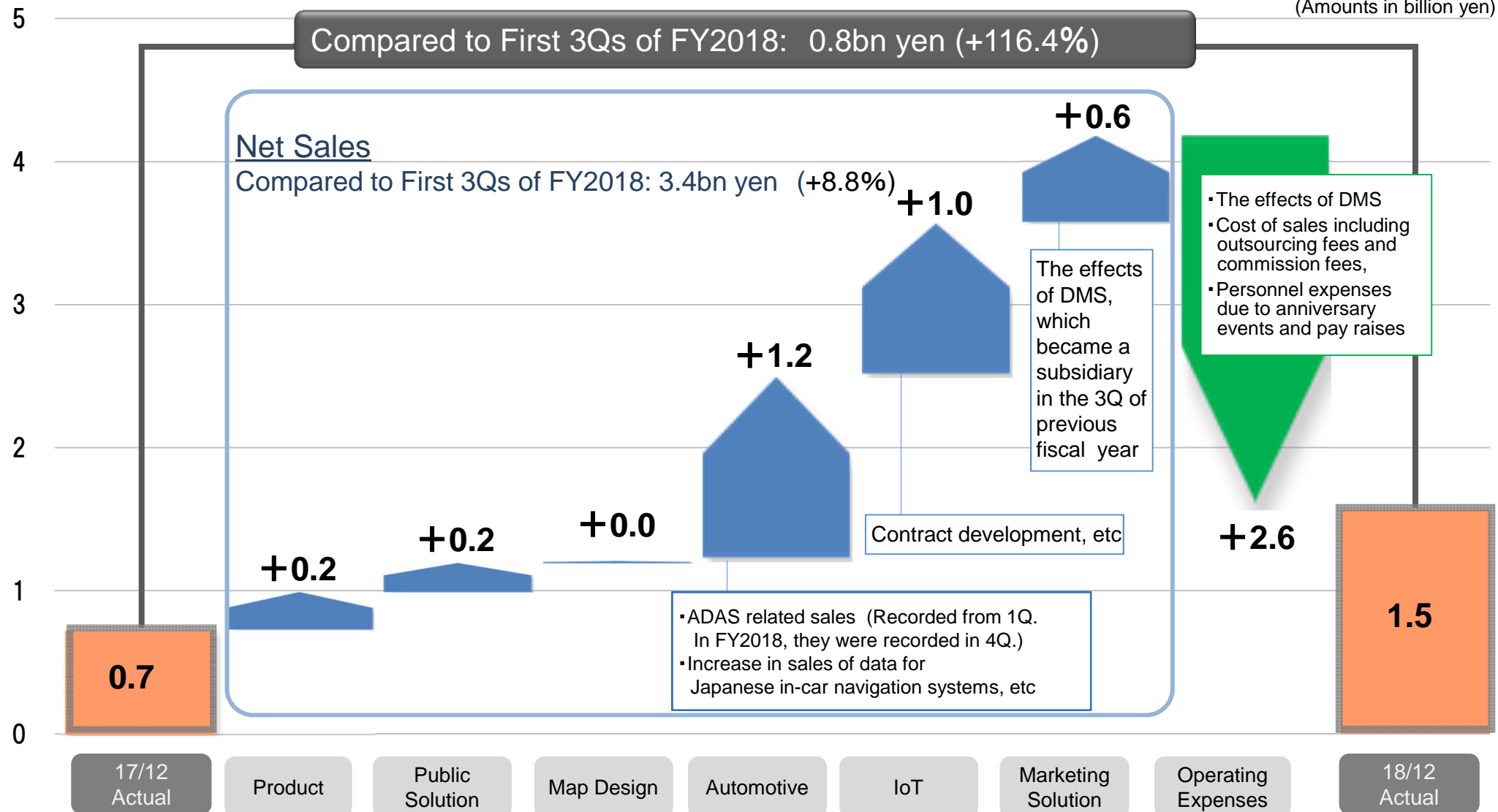


Increase in income for two consecutive periods



# 1-3) Causes for Change in Operating Income

(Amounts in billion yen)



\*DMS : DAITO MARKETING SOLUTIONS CO., LTD.

# 1-4) Segment Information

Sales  
Composition

81.5%

## 1. Map Database Segment

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



6.8%

## 2. General Printing Segment

**Main Items:** Commercial printing



11.7%

## 3. Other

**Main Items:** Purchased products, digital signage, provision of Marketing Solution

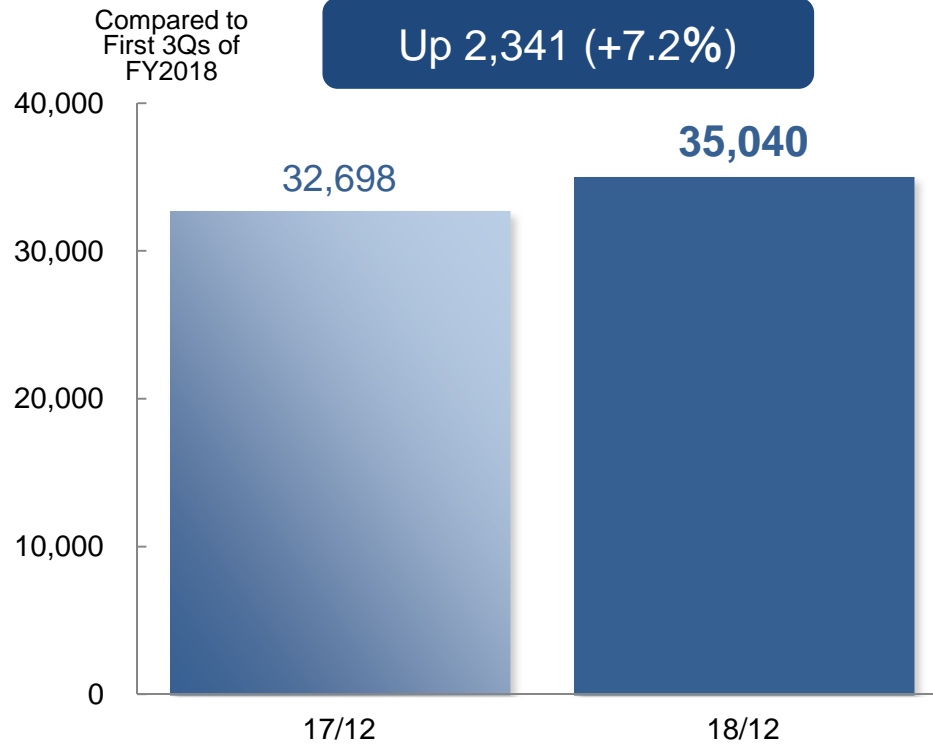


# 1-4) Map Database Segment

(Amounts in million yen)

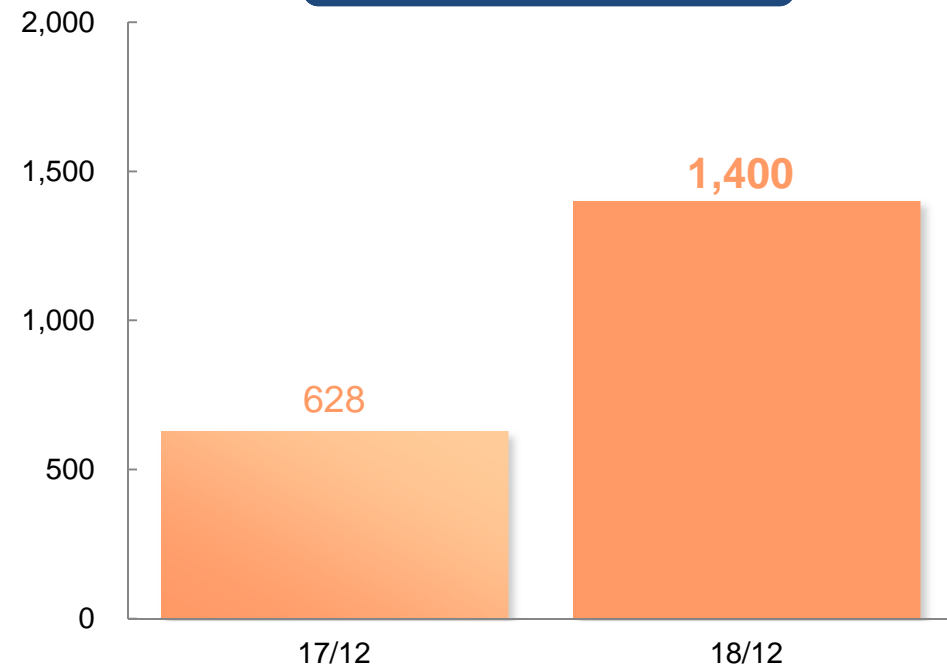
## Net Sales

Up 2,341 (+7.2%)



## Operating Income

Up 771 (+122.6%)



- Automotive business and IoT business were strong.
- Cost of sales including outsourcing fees and commission fees increased in conjunction with increased revenues.



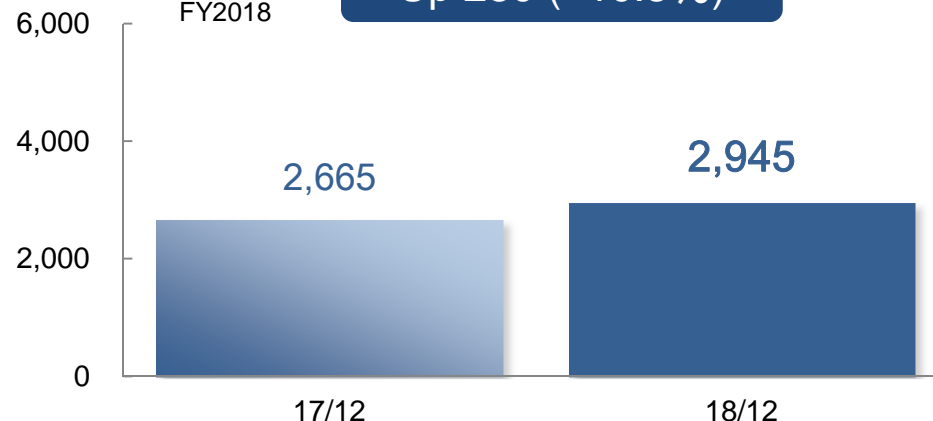
# 1-4) General Printing Segment, and Other

General Printing Segment

## Net Sales

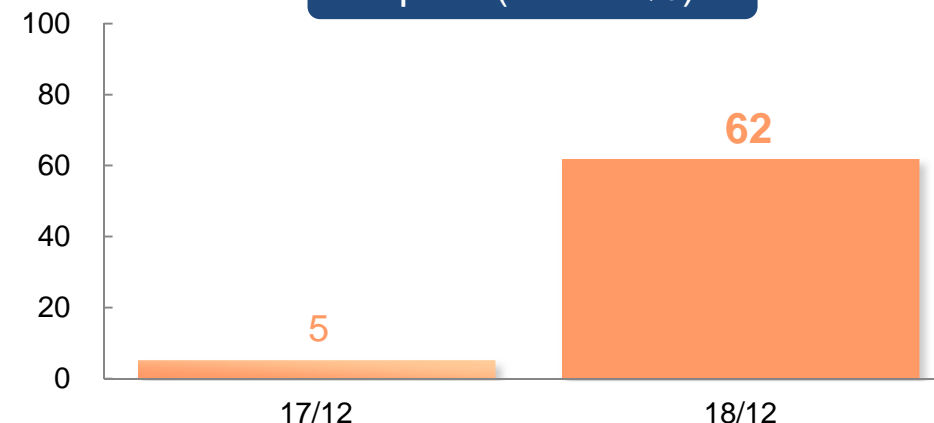
Compared to First 3Qs of FY2018

Up 280 (+10.5%)



## Operating Income

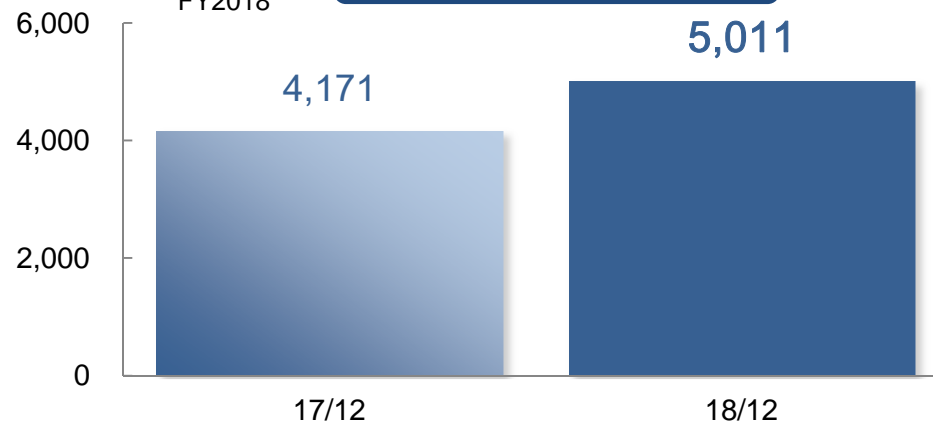
Up 57 (+993.6%)



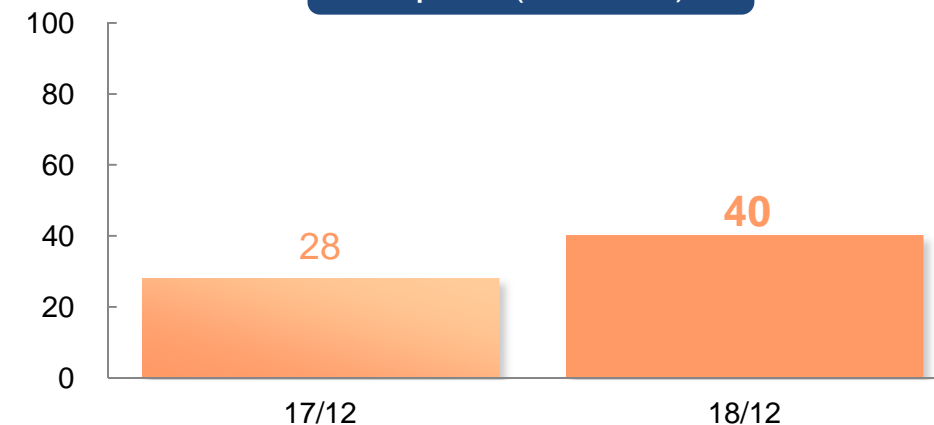
Other

Up 839 (+20.1%)

Compared to First 3Qs of FY2018



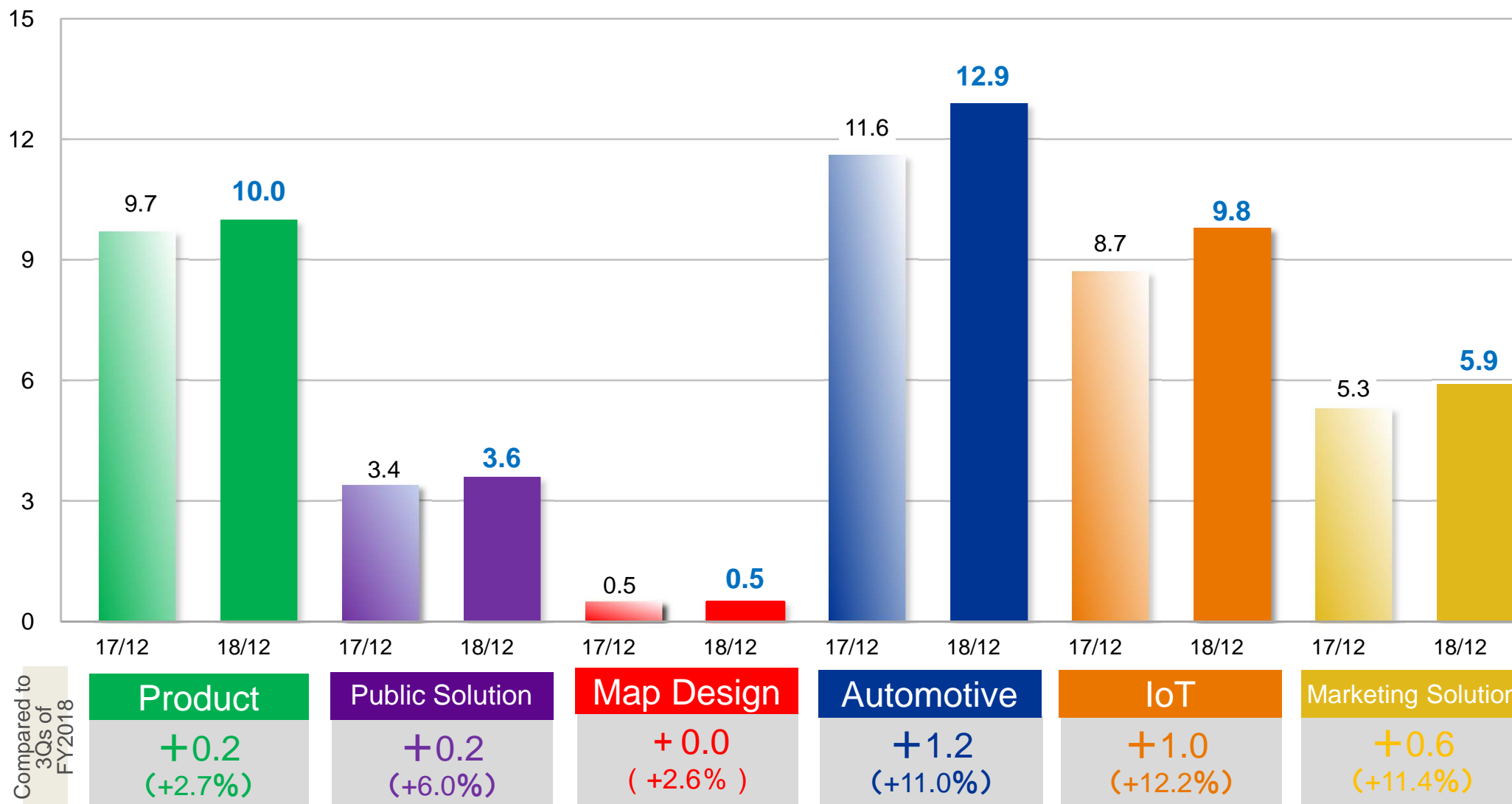
Up 12 (+44.6%)



■ The main cause for the increase in sales in the General Printing and Other segments was the effects of DMS, a newly consolidated subsidiary from the 3rd quarter of the previous fiscal year

# 1-5) Net Sales by Business under ZGP2020

(Amounts in billion yen)



\*Data for fiscal 2017 are reclassified from the previous business composition.

## 2. Earnings Forecast for Fiscal 2019

- 1) Overview of Earnings Forecast for Fiscal 2019  
(No change from the figures announced on April 27)
- 2) Net Sales by Business  
under Medium- to Long-Term Business Plan ZGP2020
- 3) Changes in Composition of Net Sales by Quarter
- 4) Dividends

## 2-1) Overview of Earnings Forecast for Fiscal 2019

### Earnings Forecast for Fiscal 2019

The earnings forecasts for fiscal 2019 (announced on April 27, 2018) have not been changed, because at the current stage we expect performance to be in general accordance with our plan.

#### Compared to Fiscal 2018 <increase in sales and income>

Re-organization of business strategy based on the new business composition with an eye on the next medium-to long-term business plan

- Securing of earnings from existing businesses
- Earnings of revenue from new business domains such as ADAS, IoT and Map Design Business
- Stable operation of Zenrin Integrated Geospatial System and product development

(Amounts in million yen)

	FY2018 Actual	FY2019 Forecast	Compared to FY2018	% of Change
Net Sales	61,332	64,000	2,667	4.3
Operating Expenses	55,890	58,200	2,309	4.1
Operating Income Operating Margin	5,441 8.9%	5,800 9.1%	358 0.2pt	6.6
Ordinary Income	5,863	6,200	336	5.7
Profit Attributable to Owners of Parent	3,336	3,700	363	10.9

## 2-1) Overview of Earnings Forecast for Fiscal 2019

### Earnings Forecast for Fiscal 2019

The earnings forecasts for fiscal 2019 (announced on April 27, 2018) have not been changed, because at the current stage we expect performance to be in general accordance with our plan.

(Amounts in million yen)

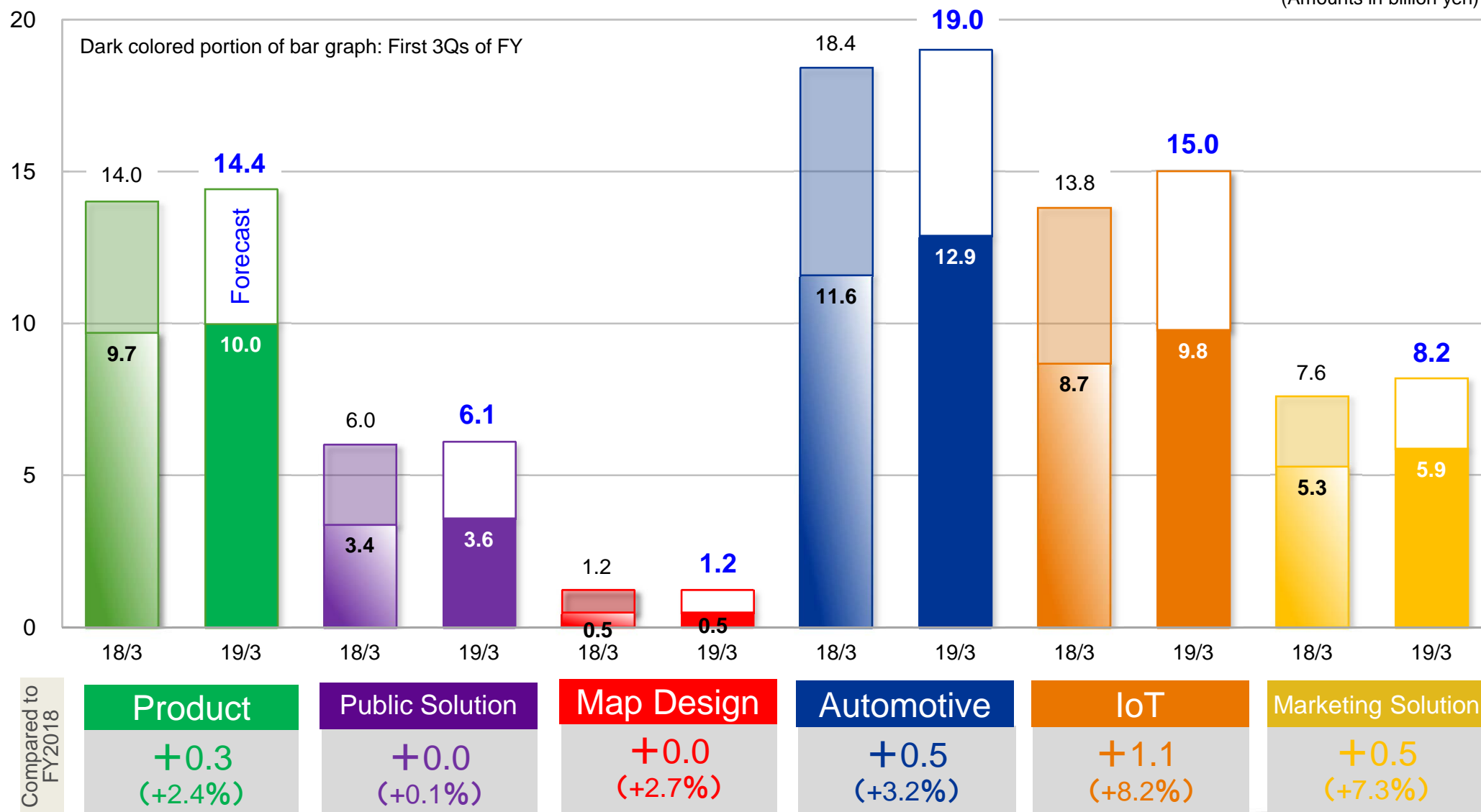
	FY2018			FY2019			Amount of Increase (decrease)		
	First 3Qs (Actual) From: 4/1/2017 To: 12/31/2017	4Q (Actual) From: 1/1/2018 To: 3/31/2018	FY2018 (Actual) From: 4/1/2017 To: 3/31/2018	First 3Qs (Actual) From: 4/1/2018 To: 12/31/2018	4Q (Forecast) From: 1/1/2019 To: 3/31/2019	FY2019 (Forecast) From: 4/1/2018 To: 3/31/2019	First 3Qs	4Q	FY
Net Sales	39,535	21,796	61,332	42,996	21,003	64,000	3,461	(793)	2,667
Operating Expenses	38,812	17,077	55,890	41,433	16,766	58,200	2,620	(310)	2,309
Operating Income	722	4,719	5,441	1,563	4,236	5,800	841	(482)	358
Operating Margin	1.8%	21.7%	8.9%	3.6%	20.2%	9.1%	1.8pt	(1.5pt)	0.2pt

\* In FY2018, earnings from ADAS and IoT business related contracted development were recorded in the 4th quarter.

# 2-2) Net Sales by Business under ZGP2020

Results for First 3 Quarters of Fiscal 2019

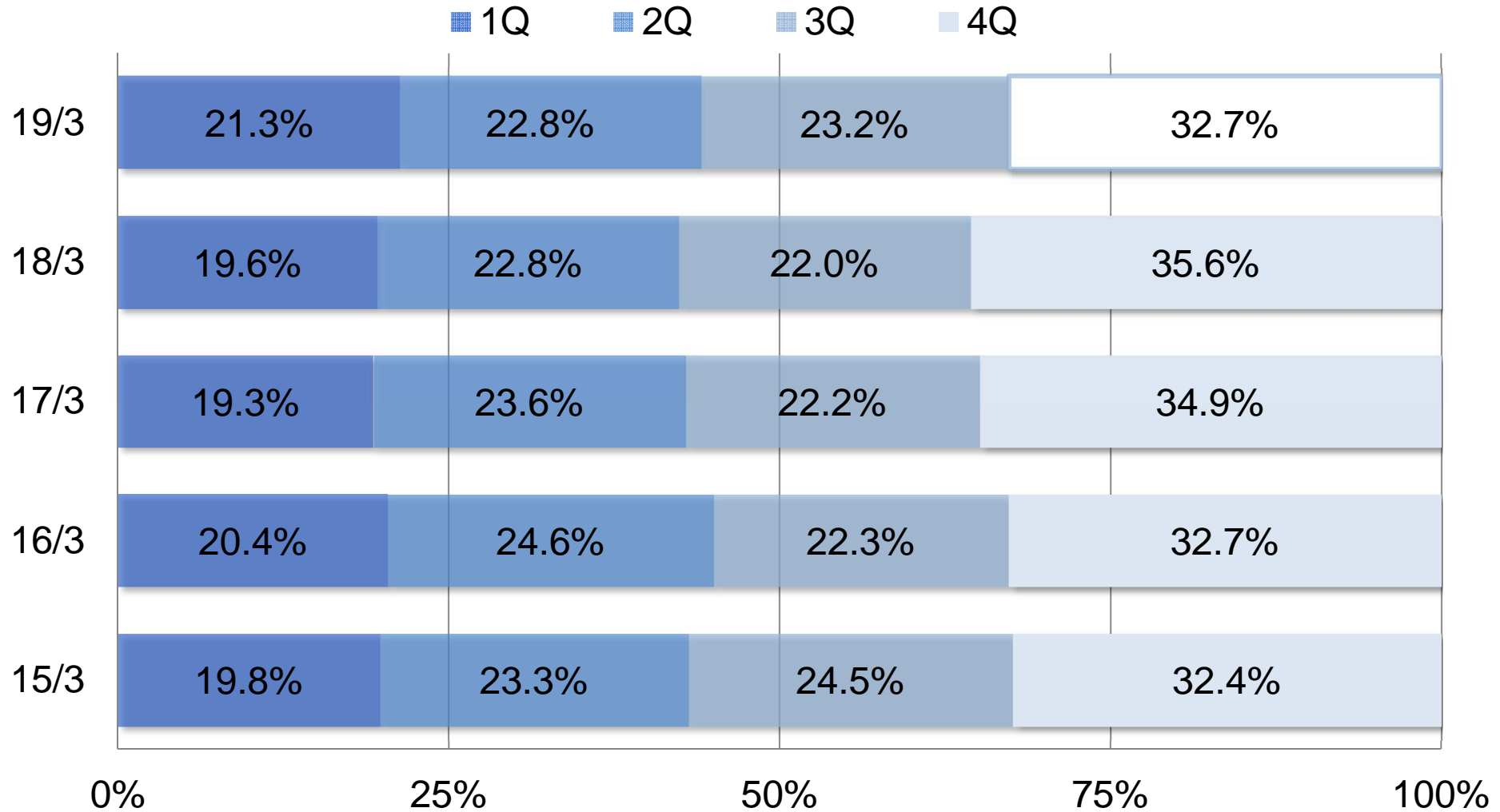
(Amounts in billion yen)



\*Data for fiscal 2018 are reclassified from the previous business composition.

## 2-3) Changes in Composition of Net Sales by Quarter

Results for First 3 Quarters of Fiscal 2019



## 2-4) Dividends

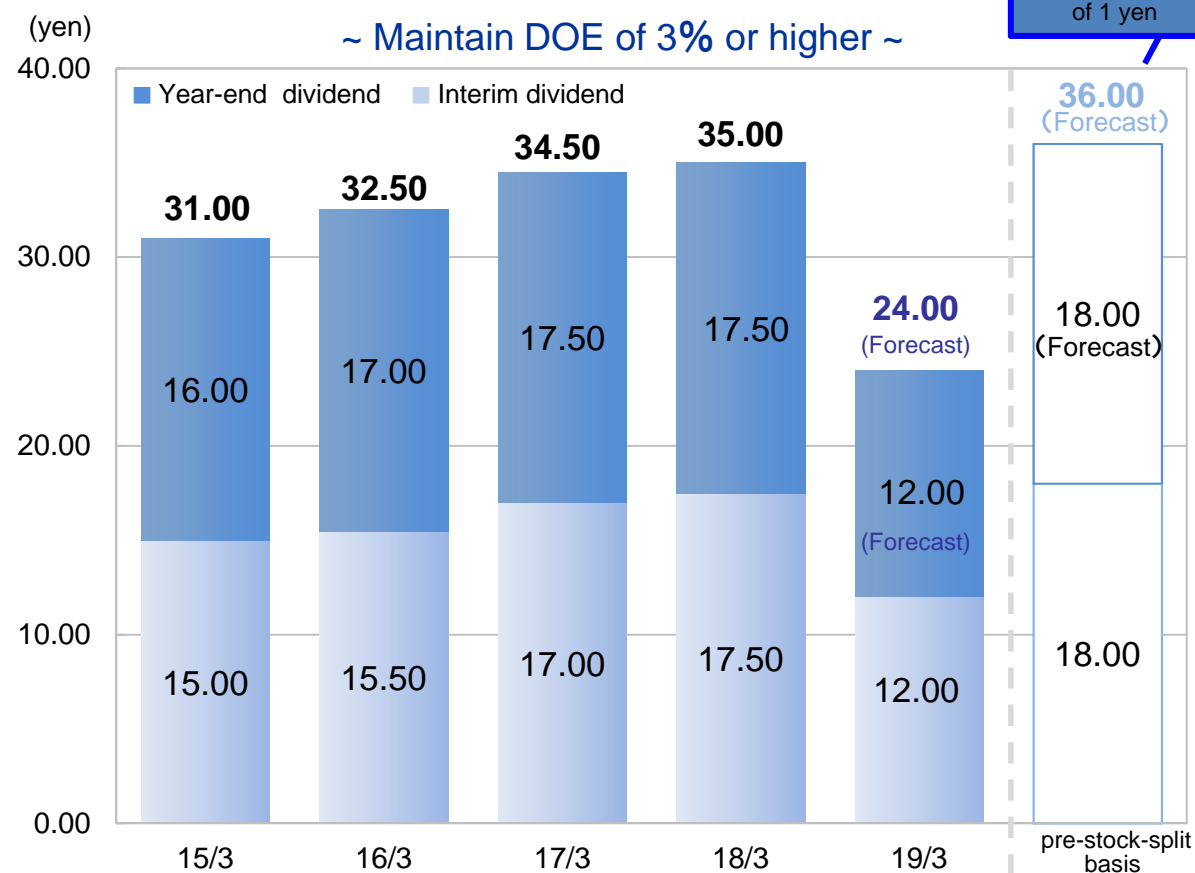
### Basic Policy

Return income to shareholders derived from income growth based on the medium- to long-term business plan, while taking into account maintaining an adequate amount of internal reserves

Target dividend on equity (DOE) on a consolidated basis of 3% or higher

FY2019 Dividend (pre-stock-split basis)*	
Interim	12.00 yen (18.00 yen)
Year-end (Forecast)	12.00 yen (18.00 yen)
Annual (Forecast)	24.00 yen (36.00 yen)

\* Effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. (No change from the forecast announced on April 24, 2018)



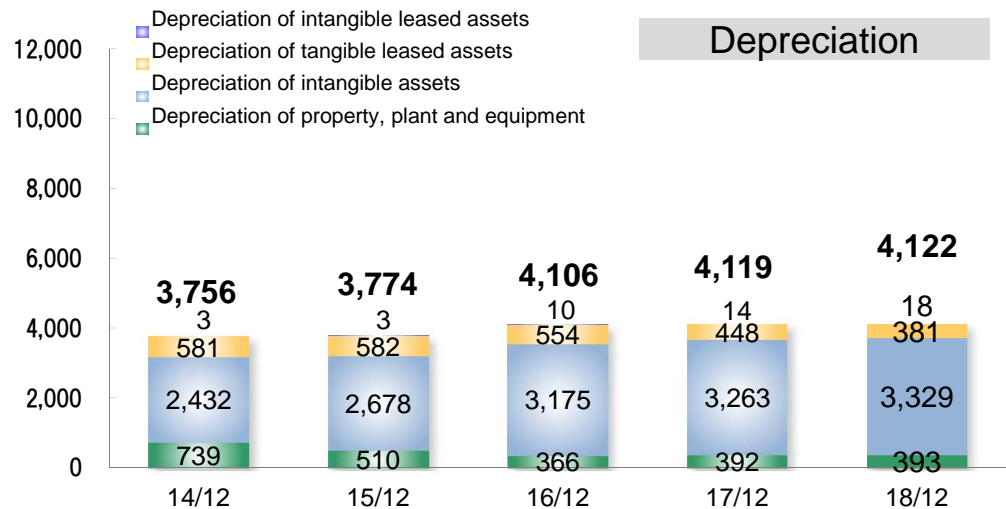
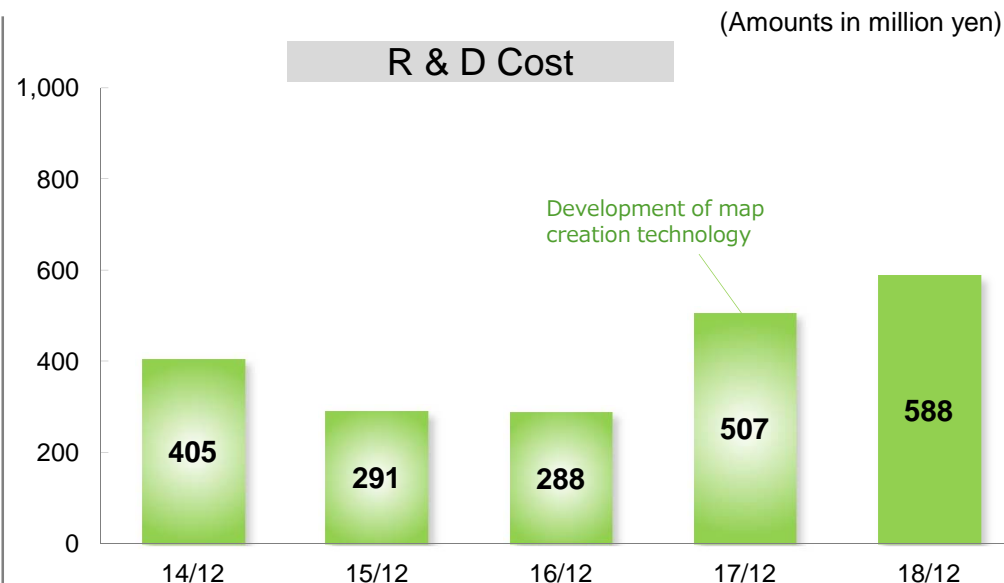
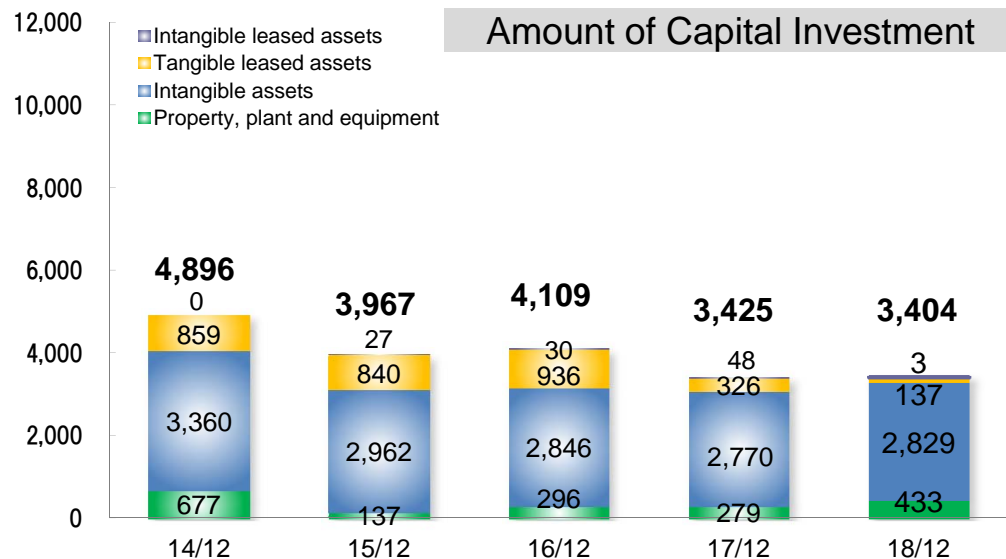


## 3. Appendix

- 1) Overview of Results for First 3 Quarters of Fiscal 2019  
Amount of Capital Investment, Depreciation and R&D Costs
  
- 2) Overview of Earnings Forecast for Fiscal 2019  
(Excerpt from Briefing on Results for Fiscal 2018 presentation materials)  
Changes in Net Sales, Income and Profit  
Amount of Capital Investment, Depreciation and R&D Costs
  
- 3) Medium- to Long-Term Business Plan ZGP2020  
Numerical Targets  
Net sales by Business Numerical Targets

# 3-1) Amount of Capital Investment, Depreciation and R&D Costs First 3 Quarters of Fiscal 2019

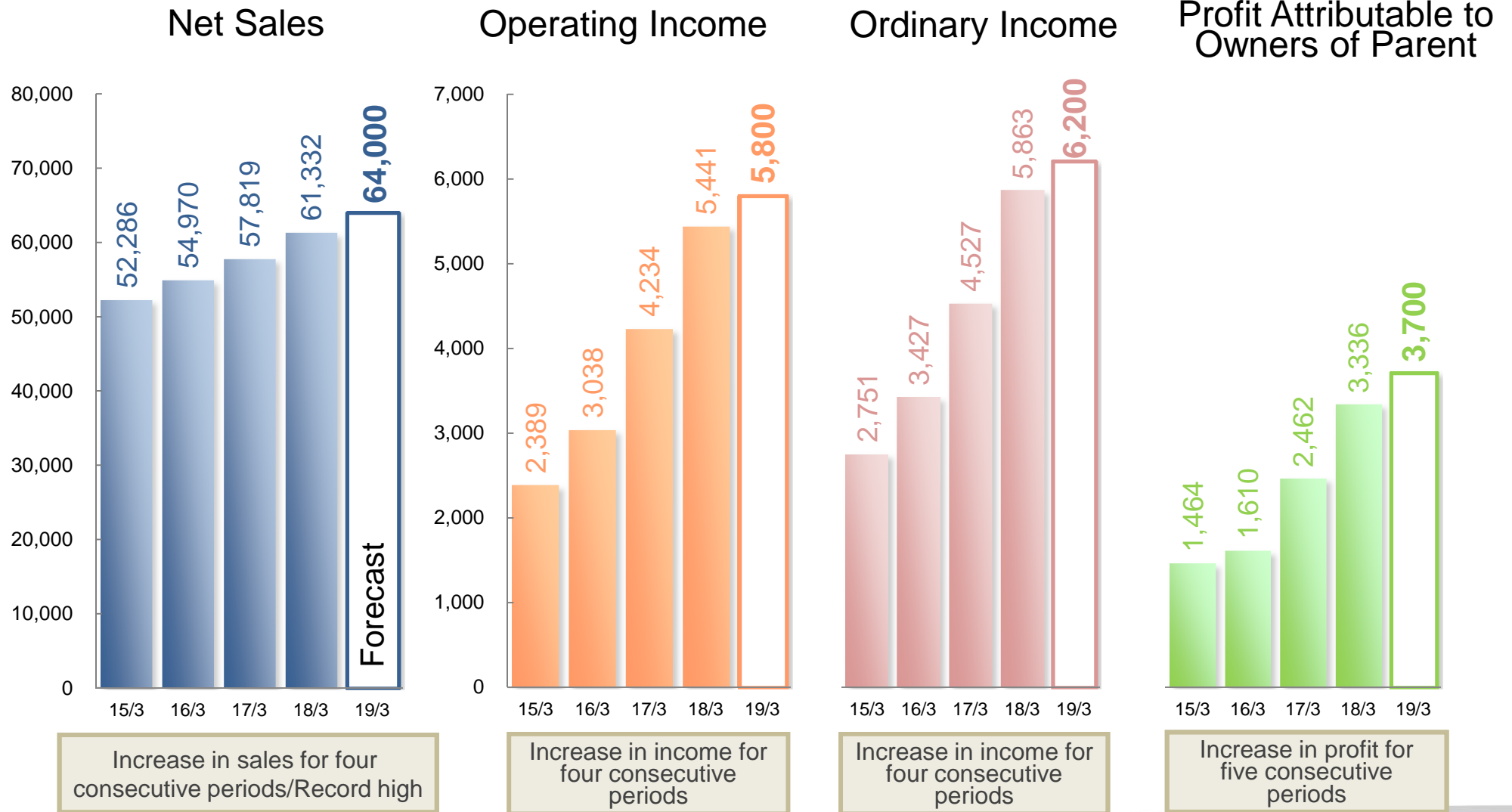
Results for First 3 Quarters of Fiscal 2019



# 3-2) Overview of Earnings Forecast for Fiscal 2019

(Changes in Net Sales, Income and Profit)

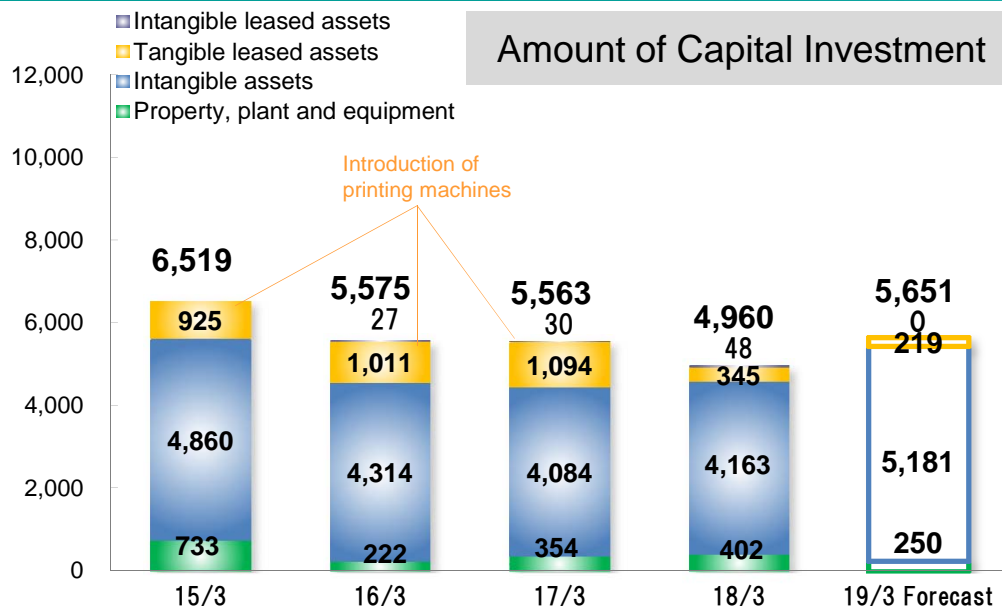
(Amounts in million yen)



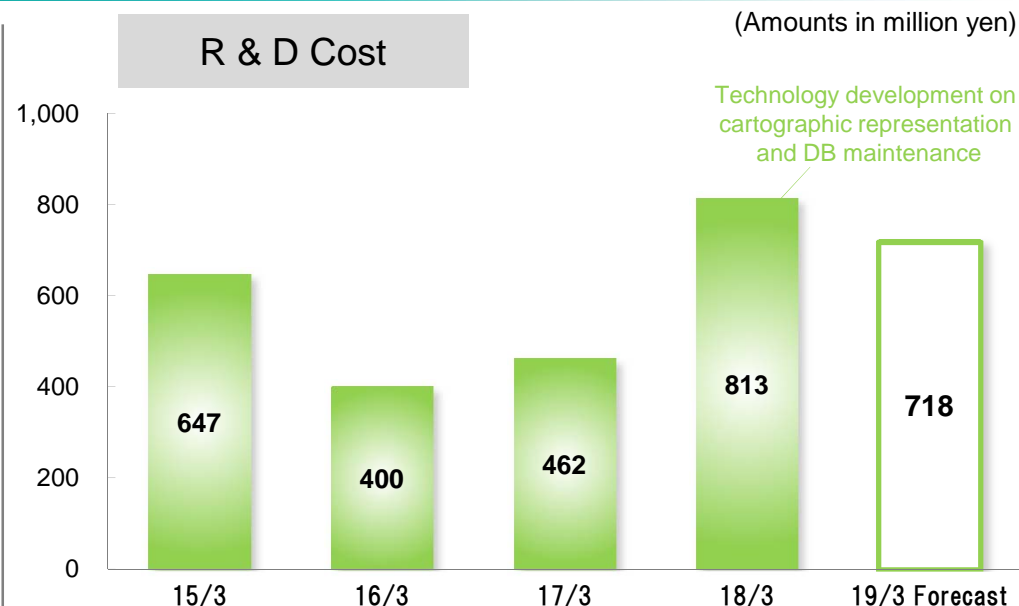
# 3-2) Overview of Earnings Forecast for Fiscal 2019 (Amount of Capital Investment, Depreciation and R&D Costs)

Results for First 3 Quarters of Fiscal 2019

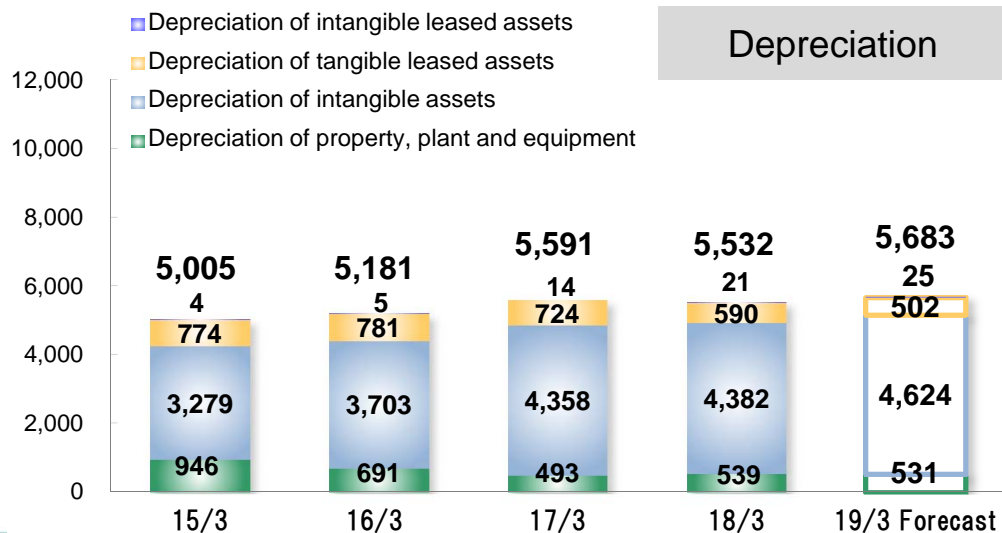
### Amount of Capital Investment



### R & D Cost



### Depreciation

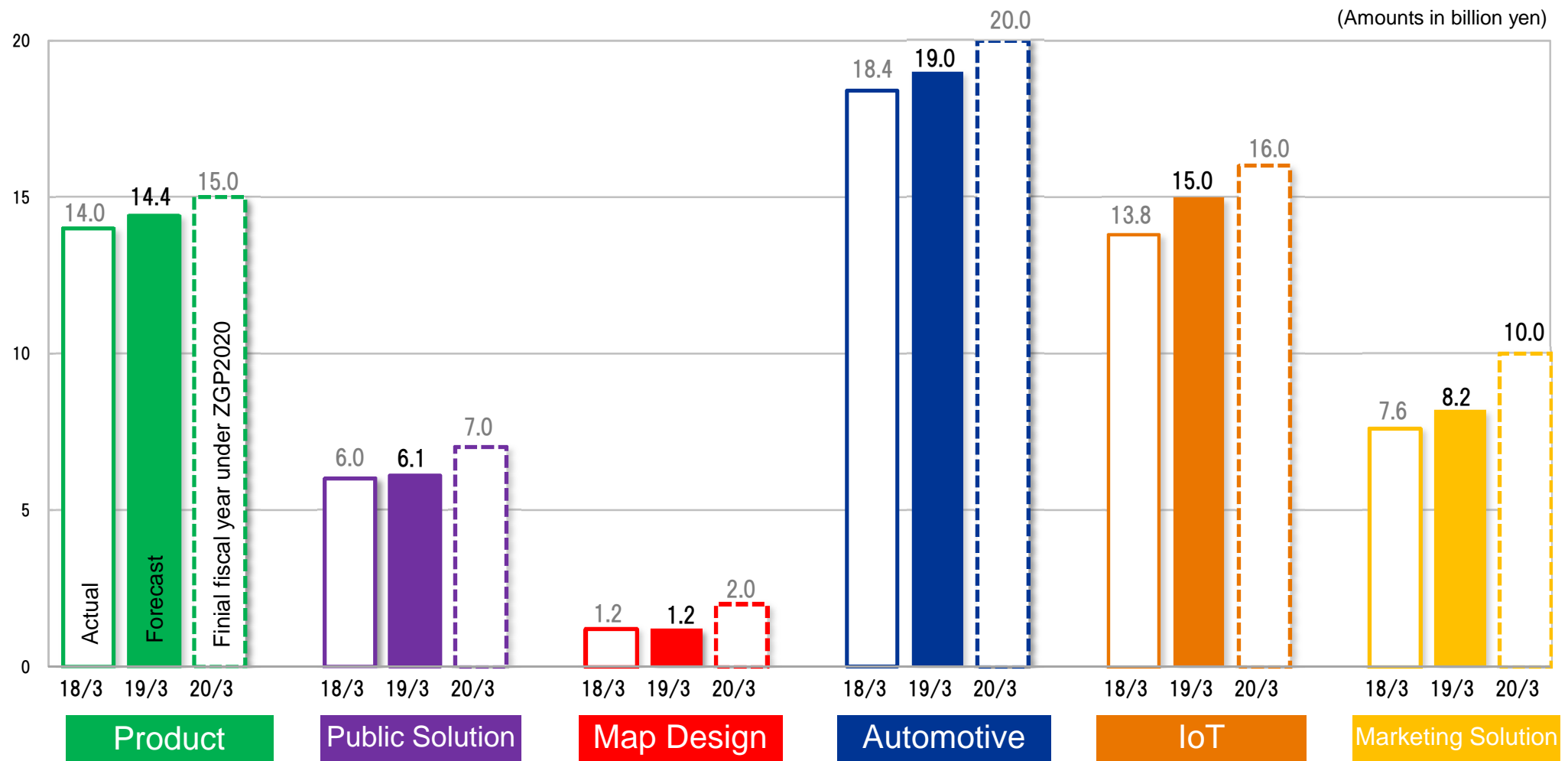


### 3-3) ZGP2020 Numerical Targets

	ZGP2020 Actuals and Targets				
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Forecast	FY2020 Target
Consolidated Net Sales	54.9 bn yen	57.8 bn yen	61.3 bn yen	64.0 bn yen	70.0 bn yen
Consolidated Operating Income (Margin)	3.0 bn yen (5.5%)	4.2 bn yen (7.3%)	5.4 bn yen (8.9%)	5.8 bn yen (9.1%)	10.0 bn yen (14.2%)
ROE (Return on equity)	4.0%	6.0%	8.2%	9.4%	12% or higher
DOE (Dividend on equity on a consolidated basis)	3.0%	3.1%	3.2%	3% or higher	3% or higher

# 3-3) Net Sales by Business under ZGP2020 Numerical Targets

Results for First 3 Quarters of Fiscal 2019



\*Data for fiscal 2018 and fiscal 2020 (final fiscal year under ZGP2020) are reclassified from the previous business composition.

# ZENRIN

Maps to the Future

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