



## Financial Summary for First 3 Quarters of Fiscal 2019 [Japanese GAAP] [Consolidated]

January 29, 2019

Name of listed company	<b>ZENRIN CO.,LTD.</b>	Stock exchange listings: Tokyo and Fukuoka	
Securities code	9474	URL	<a href="https://www.zenrin.co.jp/">https://www.zenrin.co.jp/</a>
Representative	[Title] President and CEO	[Name]	Zenshi Takayama
Contact	[Title] Executive Officer and Head of Corporate Management Division	[Name]	Yumiko Toshima
Scheduled date of submission of quarterly securities report:	January 30, 2019		
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 2019

*ZENRIN's first 3 quarters of fiscal 2019 is the period from April 1, 2018 to December 31, 2018.*

#### (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 2019	42,996	8.8	1,563	116.4	1,877	80.2	1,017	243.8
First 3 quarters of fiscal 2018	39,535	5.0	722	—	1,041	256.7	295	—

[Note] Comprehensive income  
 First 3 quarters of fiscal 2019 : 847 million yen [27.8%]  
 First 3 quarters of fiscal 2018 : 662 million yen [ —%]

	Earnings per share	Diluted earnings per share
	yen	yen
First 3 quarters of fiscal 2019	19.38	17.98
First 3 quarters of fiscal 2018	5.38	—

[Note] 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.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
First 3 quarters of fiscal 2019	63,727	39,274	58.9
Fiscal 2018	71,668	40,822	54.9

[Reference] Equity  
 First 3 quarters of fiscal 2019 : 37,512 million yen  
 Fiscal 2018 : 39,342 million yen

[Note] Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the 1st quarter 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.

### 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 2018	—	17.50	—	17.50	35.00
Fiscal 2019	—	12.00	—	—	—
Fiscal 2019 [forecast]	—	—	—	12.00	24.00

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

[Note2] 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 2019

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

[% 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	64,000	4.3	5,800	6.6	6,200	5.7	3,700	10.9	70.47

[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 2019 (from April 1, 2018 to December 31, 2018), 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 in the first 3 quarters of fiscal 2019 reported net sales of 42,996 million yen (increased 3,461 million yen, or up 8.8%, compared to the same period of the previous fiscal year), operating income of 1,563 million yen (increased 841 million yen, or up 116.4%, compared to the same period of the previous fiscal year), ordinary income of 1,877 million yen (increased 835 million yen, or up 80.2%, compared to the same period of the previous fiscal year) and profit attributable to owners of parent of 1,017 million yen (increased 721 million yen, or up 243.8%, 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 increased sales related to IoT business including contract development in addition to the strong sales from data for Japanese in-car navigation systems. 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 35,040 million yen (increased 2,341 million yen, or up 7.2%, compared to the same period of the previous fiscal year) and segment income of 1,400 million yen (increased 771 million yen, or up 122.6%, compared to the same period of the previous fiscal year).

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

The General Printing segment reported net sales of 2,945 million yen (increased 280 million yen, or up 10.5%, compared to the same period of the previous fiscal year) and segment income of 62 million yen (increased 57 million yen, or up 993.6%, 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 5,011 million yen (increased 839 million yen, or up 20.1%, compared to the same period of the previous fiscal year) and segment income of 40 million yen (increased 12 million yen, or up 44.6%, compared to the same period of the previous fiscal year).

### (2) Explanation of Financial Position

Total assets at the end of the third quarter of fiscal 2019 amounted to 63,727 million yen (decreased 7,941 million yen, or down 11.1% compared to the end of the previous fiscal year). This was mainly attributable to the decrease in trade notes and accounts receivable due to the effects of seasonal fluctuations.

Liabilities amounted to 24,452 million yen (decreased 6,393 million yen, or down 20.7% compared to the end of the previous fiscal year). This was attributable to a decrease in notes and accounts payable due to repayment and a decrease in income taxes payable due to tax payment.

Net assets amounted to 39,274 million yen (decreased 1,547 million yen, or down 3.8% compared to the end of the previous fiscal year). This was attributable to a decrease in retained earnings mainly due to dividends of surplus and the purchase of treasury shares 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 2019 was

58.9% (up 4.0 points compared to the end of the previous fiscal year).

Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the 1st quarter of fiscal 2019 (Year ending March 31, 2019), and comparison of financial condition is based on the figures as of March 31, 2018 after retrospective application.

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

The forecast for the consolidated results of operations in fiscal 2019 remains unchanged from the forecast announced on April 27, 2018.

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

[Unit: million yen]

	Fiscal 2018	Third quarter of fiscal 2019
	As of March 31, 2018	As of December 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	11,856	8,848
Notes and accounts receivable – trade	14,926	9,484
Electronically recorded monetary claims – operating	182	172
Securities	11	37
Merchandise and finished goods	768	877
Work in process	371	1,670
Raw materials and supplies	59	76
Other	1,679	1,842
Allowance for doubtful accounts	(55)	(48)
Total current assets	29,801	22,961
Non-current assets		
Property, plant and equipment		
Land	7,574	7,571
Other, net	7,892	7,629
Total property, plant and equipment	15,466	15,201
Intangible assets		
Goodwill	1,100	756
Software	11,502	10,485
Other	1,844	2,320
Total intangible assets	14,447	13,561
Investments and other assets		
Other	12,168	12,214
Allowance for doubtful accounts	(215)	(211)
Total investments and other assets	11,952	12,003
Total non-current assets	41,867	40,766
Total assets	71,668	63,727

[Unit: million yen]

	Fiscal 2018 As of March 31, 2018	Third quarter of fiscal 2019 As of December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	3,509	1,874
Short-term loans payable	1,515	700
Income taxes payable	1,793	52
Provision for directors' bonuses	171	69
Provision for sales returns	3	3
Other	12,120	10,334
<b>Total current liabilities</b>	<b>19,112</b>	<b>13,034</b>
Non-current liabilities		
Bonds payable	8,238	8,202
Long-term loans payable	1,050	1,050
Provision for directors' retirement benefits	135	133
Provision for management board benefit trust	44	36
Net defined benefit liability	291	289
Asset retirement obligations	47	48
Other	1,925	1,656
<b>Total non-current liabilities</b>	<b>11,733</b>	<b>11,417</b>
<b>Total liabilities</b>	<b>30,846</b>	<b>24,452</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,488	13,624
Retained earnings	24,497	24,263
Treasury shares	(7,338)	(8,832)
<b>Total shareholders' equity</b>	<b>37,205</b>	<b>35,612</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	744	774
Foreign currency translation adjustment	173	137
Remeasurements of defined benefit plans	1,218	987
<b>Total accumulated other comprehensive income</b>	<b>2,136</b>	<b>1,899</b>
Non-controlling interests	1,480	1,762
<b>Total net assets</b>	<b>40,822</b>	<b>39,274</b>
<b>Total liabilities and net assets</b>	<b>71,668</b>	<b>63,727</b>

**(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 2018 From: April 1, 2017 To: December 31, 2017	First 3 quarters of fiscal 2019 From: April 1, 2018 To: December 31, 2018
Net sales	39,535	42,996
Cost of sales	23,824	25,930
Gross profit	15,710	17,066
Selling, general and administrative expenses		
Personnel expenses	8,694	9,280
Provision for directors' bonuses	70	68
Retirement benefit expenses	176	47
Other	6,046	6,106
Total selling, general and administrative expenses	14,988	15,502
Operating income	722	1,563
Non-operating income		
Interest income	9	9
Dividend income	107	94
Subsidy income	11	111
Other	224	205
Total non-operating income	354	421
Non-operating expenses		
Interest expenses	25	16
Foreign exchange loss	—	24
Commission for purchase of treasury shares	0	26
Subsidy repayment loss	—	22
Other	9	17
Total non-operating expenses	35	107
Ordinary income	1,041	1,877
Extraordinary income		
Gain on sales of non-current assets	12	14
Other	0	—
Total extraordinary income	12	14
Extraordinary losses		
Loss on sales and retirement of non-current assets	48	41
Impairment loss	117	—
Other	13	10
Total extraordinary losses	179	51
Income before income taxes and minority interest	873	1,839
Income taxes – current	255	443
Income taxes – deferred	339	426
Total income taxes	595	870
Profit	278	968
Profit (loss) attributable to non-controlling interests	(17)	(48)
Profit attributable to owners of parent	295	1,017

## Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	First 3 quarters of fiscal 2018 From: April 1, 2017 To: December 31, 2017	First 3 quarters of fiscal 2019 From: April 1, 2018 To: December 31, 2018
Profit	278	968
Other comprehensive income		
Valuation difference on available-for-sale securities	331	145
Foreign currency translation adjustment	156	(36)
Remeasurements of defined benefit plans, net of tax	(65)	(230)
Share of other comprehensive income of entities accounted for using equity method	(38)	—
Total other comprehensive income	384	(121)
Comprehensive income	662	847
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	680	780
Comprehensive income attributable to non-controlling interests	(17)	67



### (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

Pursuant to the resolution passed at the meeting of the Board of Directors held on June 15, 2018, the Company purchased 510,900 treasury shares for 1,499 million yen. Mainly as a result of this purchase, treasury shares increased by 1,494 million yen during the first 3 quarters of the current fiscal year to 8,832 million yen at the end of the third quarter of fiscal 2019.

#### 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 first quarter 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 the first 3 quarters of fiscal 2019 have increased by 166 million yen, respectively, compared to the previous method.

#### Segment Information

##### I. 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 (loss)	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

## II. First 3 Quarters of Fiscal 2019 (from April 1, 2018 to December 31, 2018)

### (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	35,040	2,945	37,985	5,011	42,996
Intersegment net sales or transfers	80	346	426	152	579
Total	35,120	3,291	38,412	5,163	43,575
Segment income (loss)	1,400	62	1,462	40	1,503

[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	1,462
Income of "Other" item	40
Eliminations of intersegment transactions	59
Operating income on quarterly consolidated statement of income	1,563

### (c) Notes relating to changes in reportable segments etc.

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

As stated in "Changes in accounting estimates", 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 first quarter 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 the first 3 quarter of fiscal 2019 has increased by 148 million yen for the Map Database segment, by 16 million yen for the General Printing segment, and by 0 million for the Other segment.

### 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 2018	First 3 quarters of fiscal 2019	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	9,739	10,006	267	2.7	(for corporate customers) Printed residential maps, BLUE MAPS GIS Package products, Residential map data
Public Solution business	3,405	3,610	204	6.0	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Map Design business	565	580	14	2.6	Special-purpose maps, Map design stationary “mati mati” series, Original map design goods, Printed books
Automotive business	11,649	12,936	1,287	11.0	Data contents for Japanese in-car navigation systems, High-precision 3D data for AD/ADAS
IoT business	8,799	9,874	1,075	12.2	Services for smartphones, Map data for internet services, Provision of location based services
Marketing Solution business	5,376	5,988	611	11.4	Provision of Marketing Solution, General commercial printing
Total	39,535	42,996	3,461	8.8	

[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.