



## Financial Summary for First Quarter of Fiscal 2020 [Japanese GAAP] [Consolidated]

July 29, 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 [Name] Zenshi Takayama  
 Contact [Title] Executive Officer and Head of Corporate Management Division [Name] Yumiko Toshima TEL +81-93-882-9050  
 Scheduled date of submission of quarterly securities report: July 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 Quarter of Fiscal 2020

*ZENRIN's first quarter of fiscal 2020 is the period from April 1, 2019 to June 30, 2019.*

#### (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 quarter of fiscal 2020	12,588	(7.5)	(634)	—	(390)	—	(640)	—
First quarter of fiscal 2019	13,610	13.0	362	—	560	—	336	—

[Note] Comprehensive income First quarter of fiscal 2020: (1,059) million yen [ —%]  
 First quarter of fiscal 2019: 168 million yen [ —%]

	Earnings per share	Diluted earnings per share
	yen	yen
First quarter of fiscal 2020	(12.25)	—
First quarter of fiscal 2019	6.38	5.92

#### (2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
First quarter of fiscal 2020	65,477	40,004	58.3
Fiscal 2019	69,932	41,722	56.7

[Reference] Equity First quarter of fiscal 2020: 38,184 million yen Fiscal 2019: 39,686 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 2019	—	12.00	—	12.00	24.00
Fiscal 2020	—	—	—	—	—
Fiscal 2020 [forecast]	—	12.50	—	12.50	25.00

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

### 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 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	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

[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 quarter of fiscal 2020 (from April 1, 2019 to June 30, 2019), the Japanese economy was on a moderate recovery trend on the back of improvements in the employment and income situations.

In such an environment, the ZENRIN Group in the first quarter of fiscal 2020 reported net sales of 12,588 million yen (decreased 1,022 million yen, or down 7.5%, compared to the same period of the previous fiscal year), operating loss of 634 million yen (downturn of 996 million yen compared to the same period of the previous fiscal year), ordinary loss of 390 million yen (downturn of 950 million yen compared to the same period of the previous fiscal year) and loss attributable to owners of parent of 640 million yen (downturn of 977 million 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]

As stated in “2. (3) Notes to Quarterly Consolidated Financial Statements (Segment Information),” from the consolidated first quarter, changes, etc., of reportable segments were made. With regard to the quarter-to-quarter comparison (YOY), the prior year's figures were reclassified to conform to segments after these changes.

#### **Map Database Segment**

In the Map Database segment, which is the ZENRIN Group's core businesses, although sales of data for Japanese in-car navigation systems were strong, net sales decreased year-on-year mainly due to a reactionary decline in sales of data under entrustment, which occurred in the previous period. For costs, selling, general and administrative expenses, including personnel expense, increased.

As a result of the foregoing, the Map Database segment reported net sales of 10,221 million yen (decreased 732 million yen, or down 6.7%, compared to the same period of the previous fiscal year) and segment loss of 651 million yen (downturn of 905 million yen compared to the same period of the previous fiscal year).

#### **General Printing Segment**

The General Printing segment reported net sales of 954 million yen (decreased 76 million yen, or down 7.4%, compared to the same period of the previous fiscal year) and segment loss of 7 million yen (downturn of 46 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 1,412 million yen (decreased 214 million yen, or down 13.2%, compared to the same period of the previous fiscal year) and segment income of 7 million yen (decreased of 42 million yen, or down 85.3% compared to the same period of the previous fiscal year).

### (2) Explanation of Financial Position

Total assets at the end of the first quarter of fiscal 2020 amounted to 65,477 million yen (decreased 4,454 million yen, or down 6.4%, compared to the end of the previous fiscal year). This was attributable to the decrease in notes and accounts receivable-trade due to the effects of seasonal fluctuations.

Liabilities amounted to 25,473 million yen (decreased 2,736 million yen, or down 9.7%, compared to the end of the previous fiscal year). This was attributable to a decrease in Accounts payable – trade due to payment, and a decrease in income taxes payable.

Net assets amounted to 40,004 million yen (decreased 1,718 million yen, or down 4.1%, compared to the end of the previous fiscal year). This was mainly due to a loss attributable to owners of parent and dividend of surplus. As a result, the ratio of equity to total assets at the end of the first quarter of fiscal 2020 was 58.3% (up 1.6 points compared to the end of the previous fiscal year).

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

As stated in “(1) Explanation of Business Performance,” in the consolidated first quarter, both net sales and profits decreased year-on-year. Meanwhile, no changes were made to the forecasts for the first two quarters and full-year consolidated period of the fiscal 2020 (year ending March 2020) which was announced on April 26, 2019, because business proceeded almost as planned in the outlook.

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

[Unit: million yen]

	Fiscal 2019 As of March 31, 2019	First quarter of fiscal 2020 As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	12,295	13,823
Notes and accounts receivable – trade	14,001	8,304
Electronically recorded monetary claims – operating	183	181
Securities	37	5
Merchandise and finished goods	887	867
Work in process	477	965
Raw materials and supplies	74	71
Other	1,205	1,525
Allowance for doubtful accounts	(26)	(24)
Total current assets	29,135	25,719
Non-current assets		
Property, plant and equipment		
Land	7,534	7,534
Other, net	7,463	7,353
Total property, plant and equipment	14,998	14,888
Intangible assets		
Goodwill	200	132
Software	10,665	10,684
Other	2,589	2,178
Total intangible assets	13,454	12,995
Investments and other assets		
Other	12,556	12,085
Allowance for doubtful accounts	(212)	(212)
Total investments and other assets	12,343	11,873
Total non-current assets	40,796	39,757
Total assets	69,932	65,477

[Unit: million yen]

	Fiscal 2019 As of March 31, 2019	First quarter of fiscal 2020 As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	3,054	1,526
Short-term loans payable	1,350	700
Income taxes payable	901	70
Provision for directors' bonuses	167	26
Provision for sales returns	3	3
Other	11,264	12,070
<b>Total current liabilities</b>	<b>16,741</b>	<b>14,397</b>
Non-current liabilities		
Bonds payable	8,191	8,179
Long-term loans payable	1,050	1,050
Provision for directors' retirement benefits	132	129
Provision for management board benefit trust	52	52
Net defined benefit liability	283	289
Asset retirement obligations	48	50
Other	1,711	1,325
<b>Total non-current liabilities</b>	<b>11,467</b>	<b>11,075</b>
<b>Total liabilities</b>	<b>28,209</b>	<b>25,473</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,624	13,624
Retained earnings	26,453	25,181
Treasury shares	(8,833)	(8,834)
<b>Total shareholders' equity</b>	<b>37,801</b>	<b>36,528</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,289	1,030
Foreign currency translation adjustment	100	111
Remeasurements of defined benefit plans	495	513
<b>Total accumulated other comprehensive income</b>	<b>1,885</b>	<b>1,655</b>
Non-controlling interests	2,036	1,820
<b>Total net assets</b>	<b>41,722</b>	<b>40,004</b>
<b>Total liabilities and net assets</b>	<b>69,932</b>	<b>65,477</b>

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

[Unit: million yen]

	First quarter of fiscal 2019 From: April 1, 2018 To: June 30, 2018	First quarter of fiscal 2020 From: April 1, 2019 To: June 30, 2019
Net sales	13,610	12,588
Cost of sales	8,144	8,031
Gross profit	5,466	4,557
Selling, general and administrative expenses		
Personnel expenses	3,052	3,140
Provision for directors' bonuses	16	17
Retirement benefit expenses	17	96
Other	2,017	1,937
Total selling, general and administrative expenses	5,104	5,191
Operating income (loss)	362	(634)
Non-operating income		
Interest income	3	2
Dividend income	71	93
Subsidy income	101	109
Other	54	81
Total non-operating income	229	287
Non-operating expenses		
Interest expenses	6	4
Foreign exchange losses	19	27
Other	5	11
Total non-operating expenses	31	43
Ordinary income (loss)	560	(390)
Extraordinary income		
Gain on sales of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	9	9
Loss on valuation of investment securities	7	265
Other	—	108
Total extraordinary losses	16	382
income (loss) before income taxes	544	(773)
Income taxes – current	336	94
Income taxes – deferred	(98)	(141)
Total income taxes	238	(47)
Profit (loss)	306	(725)
Loss attributable to non-controlling interests	(30)	(85)
Profit (loss) attributable to owners of parent	336	(640)

## Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	First quarter of fiscal 2019 From: April 1, 2018 To: June 30, 2018	First quarter of fiscal 2020 From: April 1, 2019 To: June 30, 2019
Profit (loss)	306	(725)
Other comprehensive income		
Valuation difference on available-for-sale securities	29	(363)
Foreign currency translation adjustment	(90)	11
Remeasurements of defined benefit plans, net of tax	(77)	17
Total other comprehensive income	(138)	(333)
Comprehensive income	168	(1,059)
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	198	(870)
Comprehensive income attributable to non-controlling interests	(30)	(189)

### (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 2 Quarter of Fiscal 2019

Not applicable.

While not qualifying as a change in specified subsidiaries, ZENRIN DataCom Co., Ltd., which is ZENRIN's consolidated subsidiary, acquired shares of Lease System Planning co., inc on July 1, 2019. The firm will be included in the scope of consolidation from the consolidated second quarter.

### Segment Information

#### I. First Quarter of Fiscal 2019 (from April 1, 2018 to June 30, 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	10,953	1,031	11,984	1,626	13,610
Intersegment net sales or transfers	41	48	90	38	129
Total	10,995	1,079	12,075	1,665	13,740
Segment income (loss)	254	38	292	49	342

[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	292
Income of "Other" item	49
Eliminations of intersegment transactions	19
Operating income (loss) on quarterly consolidated statement of income	362

## II. First Quarter of Fiscal 2020 (from April 1, 2019 to June 30, 2019)

### (a) Information on Reportable Segment Net Sales and Income or Loss Amount

[Unit: million yen]

	Reportable segments			Other [Note]	Total
	Map Database segment	General Printing segment	Total		
Net sales					
Net sales to external customers	10,221	954	11,175	1,412	12,588
Intersegment net sales or transfers	39	42	82	29	111
Total	10,260	997	11,257	1,441	12,699
Segment income (loss)	(651)	(7)	(658)	7	(651)

[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	(658)
Income of "Other" item	7
Eliminations of intersegment transactions	17
Operating income (loss) on quarterly consolidated statement of income	(634)

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

With the reorganization of the marketing solution business from the consolidated first quarter, the businesses of ZENRIN MS HOLDINGS CO., LTD. (trade name was changed from ZENRIN PlusOne CO., Ltd. on April 1, 2019) and ZENRIN GEO INTELLIGENCE CO., LTD. have been moved from "Map Database segment" to "other." In addition, the businesses of Will Smart Co., Ltd. have been changed from "other" to "Map Database segment" following the review of the management section with the expansion of the IoT-related business.

Segment information for the previous consolidated first quarter has been prepared in accordance with the classification of reportable segments after the change.



### 3. Supplementary Information

#### **Sales Turnover based on Business Categories under the Medium- to Long-Term Business Plan ZGP25**

Business category	First quarter of fiscal 2019	First quarter of fiscal 2020	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	2,942	2,971	29	1.0	(for corporate customers) Printed residential maps, BLUE MAPS GIS Package products, Residential map data
Public Solution business	963	1,029	65	6.8	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Map Design business	60	59	(1)	(2.0)	Special-purpose maps, Map design stationary "mati mati" series, Original map design goods, Printed books
Automotive business	4,361	3,760	(600)	(13.8)	Data contents for Japanese in-car navigation systems, High-precision 3D data for AD/ADAS
IoT business	3,205	2,984	(220)	(6.9)	Services for smartphones, Map data for internet services, Provision of location based services
Marketing Solution business	2,077	1,782	(294)	(14.2)	Provision of Marketing Solution, General commercial printing
Total	13,610	12,588	(1,022)	(7.5)	