

# Briefing on Results for Fiscal 2021

(Year Ended March 31, 2021)

May 21, 2021

## 1. Overview of the Results for Fiscal 2021 and Initiatives for Fiscal 2022

## 2. 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.

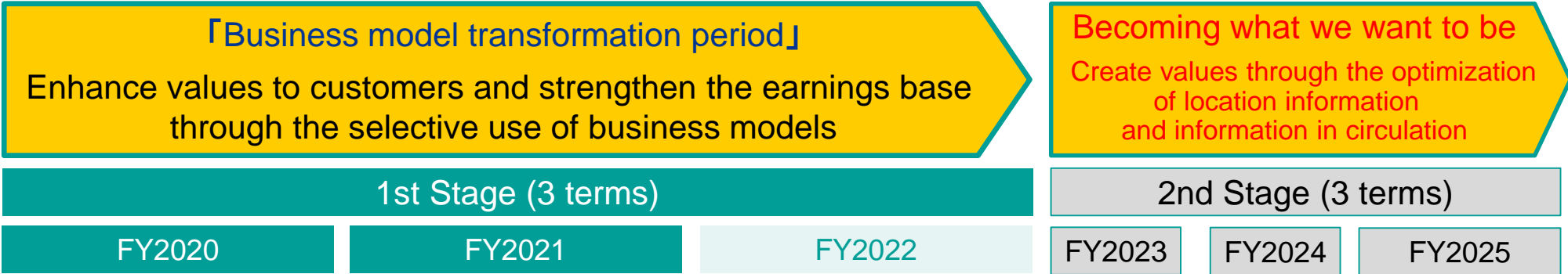
In addition, cases where the percentage of change exceeds 1000% and cases where one or both of the items of comparison is negative are shown as “-”.

# Overview of Results for Fiscal 2021 and Initiatives for Fiscal 2022

- 1) Overview
- 2) Overview of Results for Fiscal 2021
- 3) Earnings Forecast for Fiscal 2022
- 4) Initiatives for Fiscal 2022

# 1) Overview (Initiatives to Date)

Fiscal 2021 was the 2nd year of “ZENRIN GROWTH PLAN 2025 (ZGP25),” the 6-year, medium- to long-term management plan. Aiming for future stable growth, the first stage, from 2020 to 2022, was positioned as “Business model transformation period” and specific measures were implemented.



## 【Initiatives of the 1st stage】

- Stabilization of earnings
  - Shifting the business model from a flow-type to a stock-type
- Upfront investments into growth areas
  - Continuing initiatives in new business areas, such as automated driving, MaaS, drones, etc.
- Building the business foundations
  - Investing in the development of the service platform to support diverse services
  - Continuing to reduce existing maintenance costs through the enhancement of maintenance technology
  - Strengthening alliances to reinforce business foundation

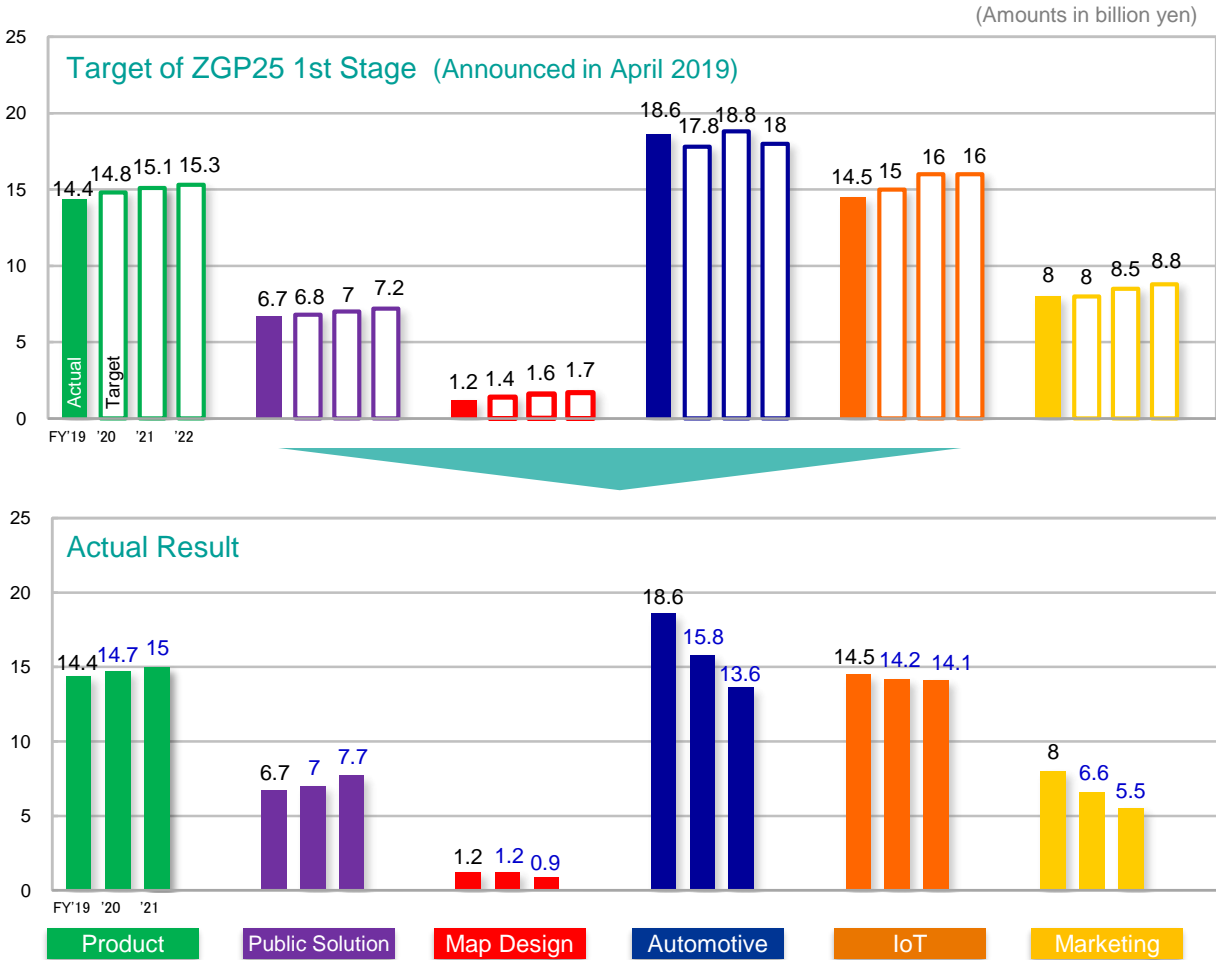
## 【2nd Stage】

Formulation of targets and specific measures (Fiscal 2022)

【External environment】 corona pandemic Semiconductor shortage  
▪ 10% consumption tax ▪ Olympic and Paralympic Games Postponed

# 1) Overview (Net Sales by business)

While the Product Business and the Public Solution Business performed steadily, the progress of the ZGP25 fell behind in the Automotive Business, the IoT Business, and the Marketing Solution Business, due to the impact of the spread of COVID-19.



## 【Product Business】

Growth in GIS packages and other stock-type services

## 【Public Solution Business】

Sales of map data and contracted projects to local governments were strong.

## 【Automotive Business】

Due to the worsening market environment and the global semiconductor shortage, sales of new vehicles declined and sales of in-car navigation map data declined substantially, and the business of automated driving on ordinary roads and the service model transformation were delayed.

## 【IoT Business】

Impacted by the termination of a contract with a platformer, the delays in cultivating new customers due to restrictions on sales activities as a result of COVID-19, and the scaling back or delays in new capital investments by customers.

## 【Marketing Solution Business】

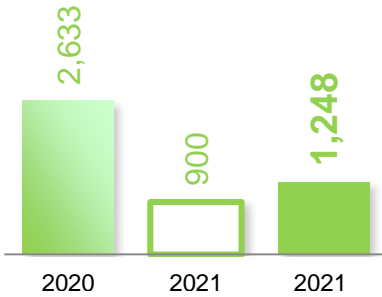
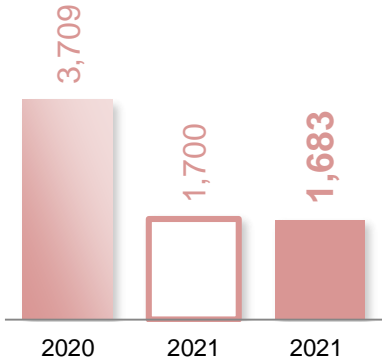
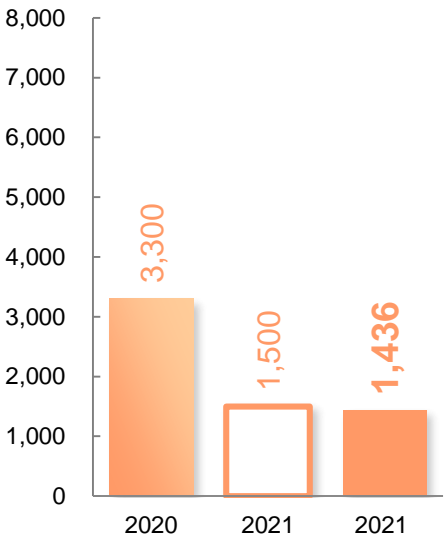
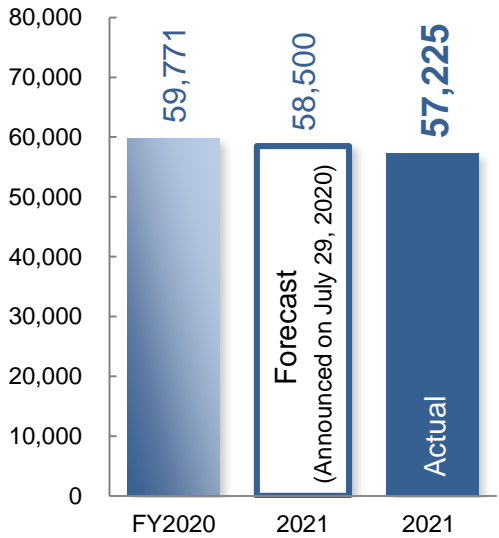
Impacted by a reduction in events and sales promotion activities by customers

# Results for Fiscal 2021 : Compared to Fiscal 2020 【decrease in sales and income】

Compared to

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
	<b>57,225</b>	<b>1,436</b>	<b>1,683</b>	<b>1,248</b>
FY2020	-2,545 (-4.3%)	-1,863(-56.5%)	-2,025 (-54.6%)	-1,384 (-52.6%)
Forecast	-1,274 (-2.2%)	-63 (-4.2%)	-16 (-0.9%)	+348 (+8.8%)

(Amounts in million yen)



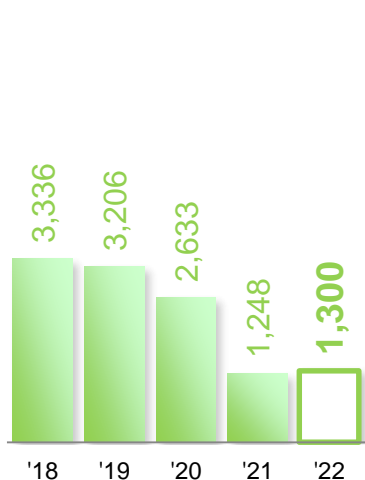
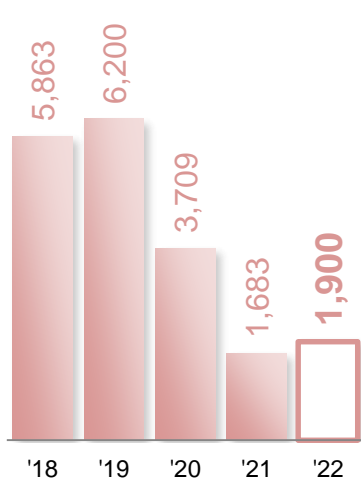
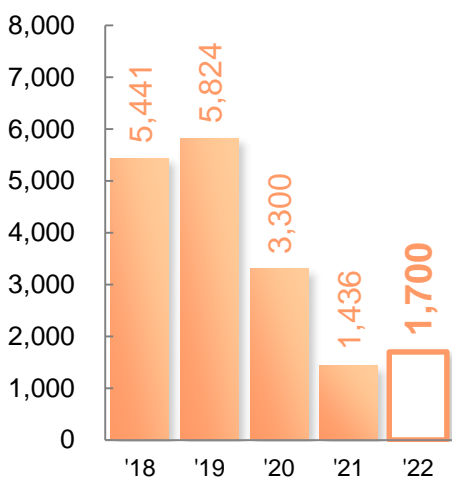
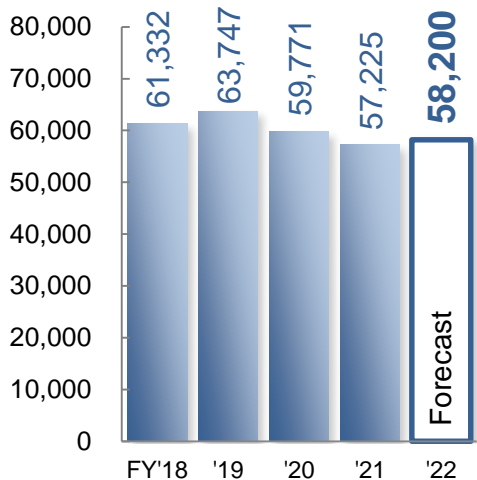
- Sales declined for the second consecutive term due to the impact of deteriorating market conditions in COVID-19 related crisis.
- In terms of profit/loss, operating expenses decreased due to the decrease in performance-based bonuses and the restrictions on sales activities due to COVID-19 but operating income and ordinary income decreased for the second consecutive term, and profit attributable to owners of parent decreased for the third consecutive term, due to the impact of decreased revenues, as well as the reporting of upfront expenses for new services and other factors.

## Earnings Forecast for Fiscal 2022 : Compared to Fiscal 2021 【increase in sales and income】

Compared to

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
	<b>58,200</b>	<b>1,700</b>	<b>1,900</b>	<b>1,300</b>
FY2021	+974 (+1.7%)	+263 (+18.3%)	+216 (+12.8%)	+51 (+4.1%)

(Amounts in million yen)



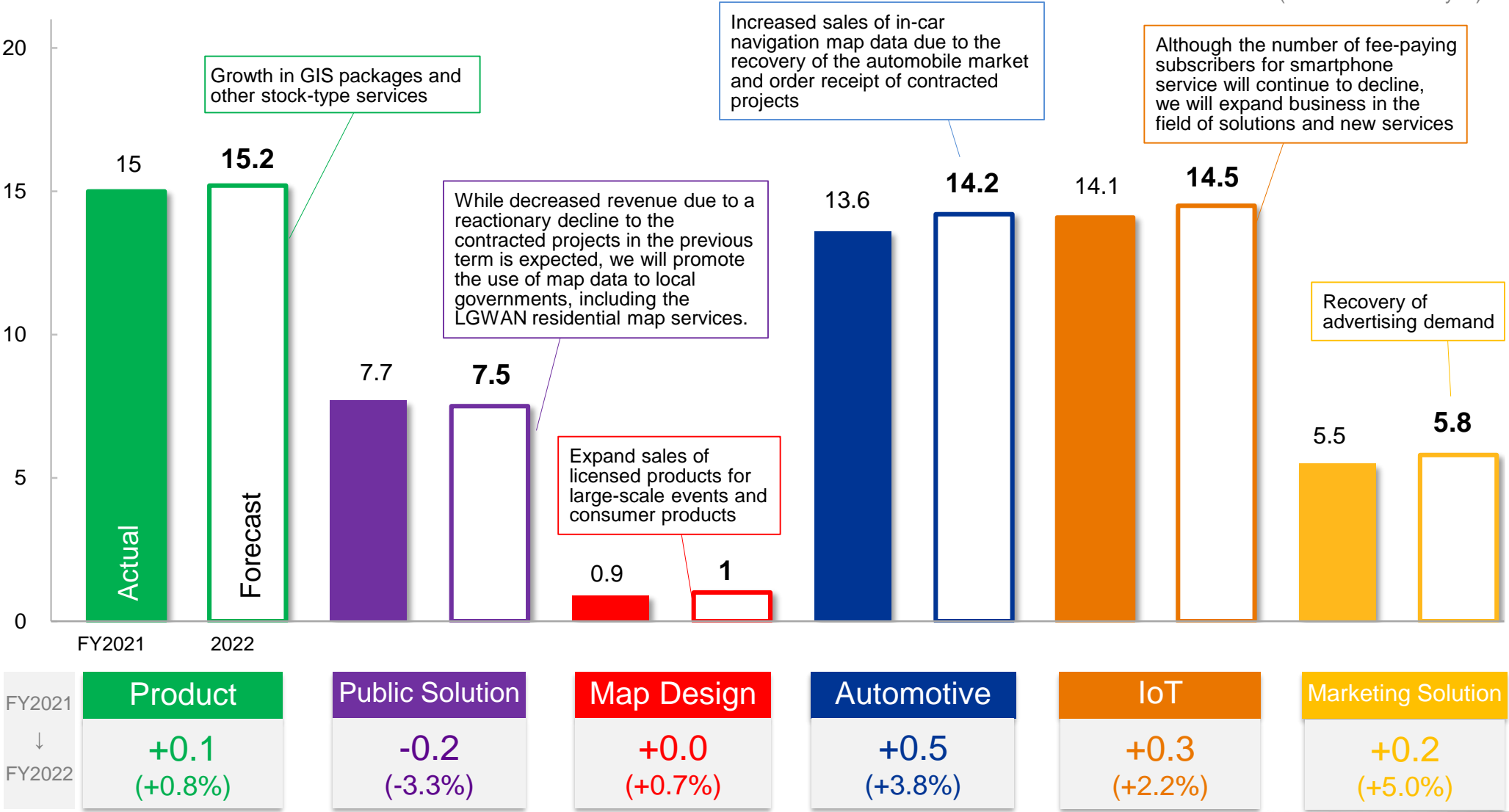
- Despite expectations for the economy to recover through measures to prevent the further spread of COVID-19, there are concerns about the prolonged impact on social and economic activities, for example, the extension of the declaration of the state of emergency.
- We will promote product planning and the development of a service platform to transition from a flow-type to stock-type business model.
- From fiscal 2022, the “Accounting Standard for Revenue Recognition,” and others will be applied and accordingly, the full-year forecast of consolidated net sales is expected to decrease by about ¥1 billion as compared to the previous accounting method. (The impact on profit/loss is expected to be minimal).

\*“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and others have been applied to the figures for fiscal 2022 but not to the figures for the years up to fiscal 2021.

# 3) Earnings Forecast for Fiscal 2022 (Net Sales by business)

Briefing on Results for FY2021

(Amounts in billion yen)



\*"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and others have been applied to the figures for fiscal 2022 but not to the figures for fiscal 2021.



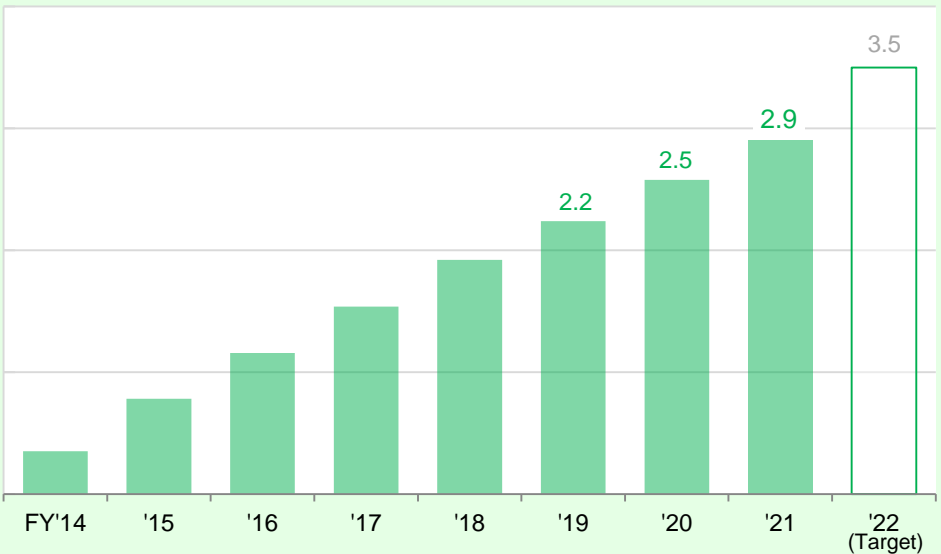
# 4) Initiatives for Fiscal 2022 (Business model transformation)

We will continue to promote the transition from a flow-type to a stock-type business model.

In the Product Business, sales from stock-type businesses account for more than 40% of total sales and have grown into a stable source of income.

We will improve the services of the ZENRIN GIS package series and aim for further expansion of sales.

Changes in Net Sales of GIS Packages (Amounts in billion yen)



We will also promote initiatives toward stock-type businesses in each business

- Public Solution Business  
Services for Local Governments  
「Zenrin Residential Map LGWAN」
- Map Design Business  
Members-only service for fans of roadside station  
「Michiyuki」
- Automotive Business  
Proposal of data-update businesses supporting connected vehicles
- IoT Business  
Promotion of transitioning to a stock-type business in the solution business
- Marketing Solution Business  
Sales promotion tool for small- and medium-sized stores  
「Rakuraku Sales Promotion Map」

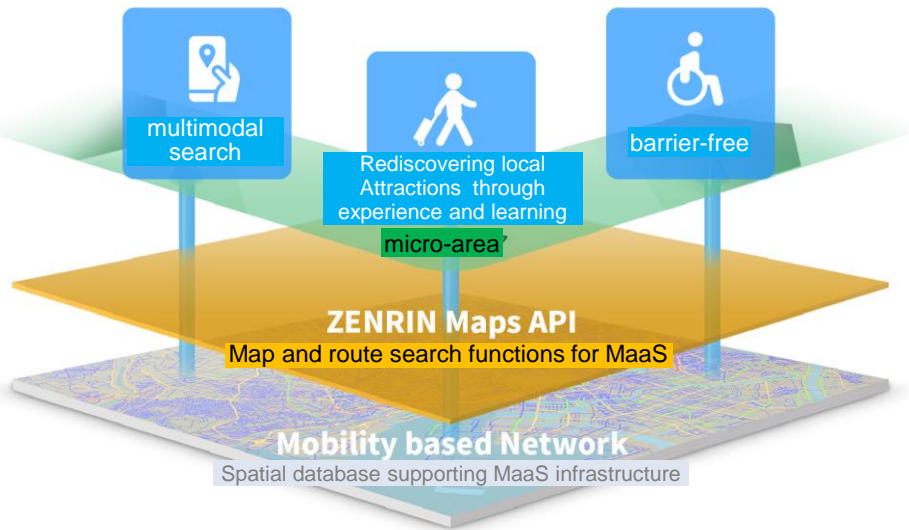
# 4) Initiatives for Fiscal 2022 (MaaS Business)

## micro-MaaS Solution

We will propose micro-MaaS solutions as one of ZENRIN's initiatives in the MaaS business. ZENRIN is focusing on the various issues facing small areas (micro-areas), such as the areas surrounding train stations across the country and the last-mile areas, and aims to contribute to the revitalization of all areas by solving these issues through the utilization of "movement information" and "map information."

Provide spatial information to solve micro-area issues.

### micro-MaaS Solution



### ZENRIN's "Mobility-based Network"

makes mobility in all forms visible in a single space.

It realizes the provision of database foundation optimized for MaaS by incorporating all networks required for movement, including networks for automobiles, rail routes, paths inside station yards and networks for pedestrians, and interconnecting each network at transport nodes (i.e., places where various means of transportation intersect).

### Case study: Demonstration tests of tourism-type MaaS in Nagasaki

Demonstration tests of the tourism-type MaaS which digitalizes and provides tourist information such as Nagasaki's history and culture and information on public transportation services through smartphone apps are scheduled to begin from fiscal 2021.

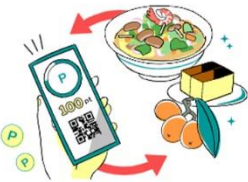
By linking narrative-type contents that encourage movement between each tourist area in Nagasaki with public transportation services / private-sector services, it aims to connect people's actions with regional revitalization.



A day-trip app for rediscovering the appeal of Nagasaki



Visit Nagasaki using money-saving tourist tickets

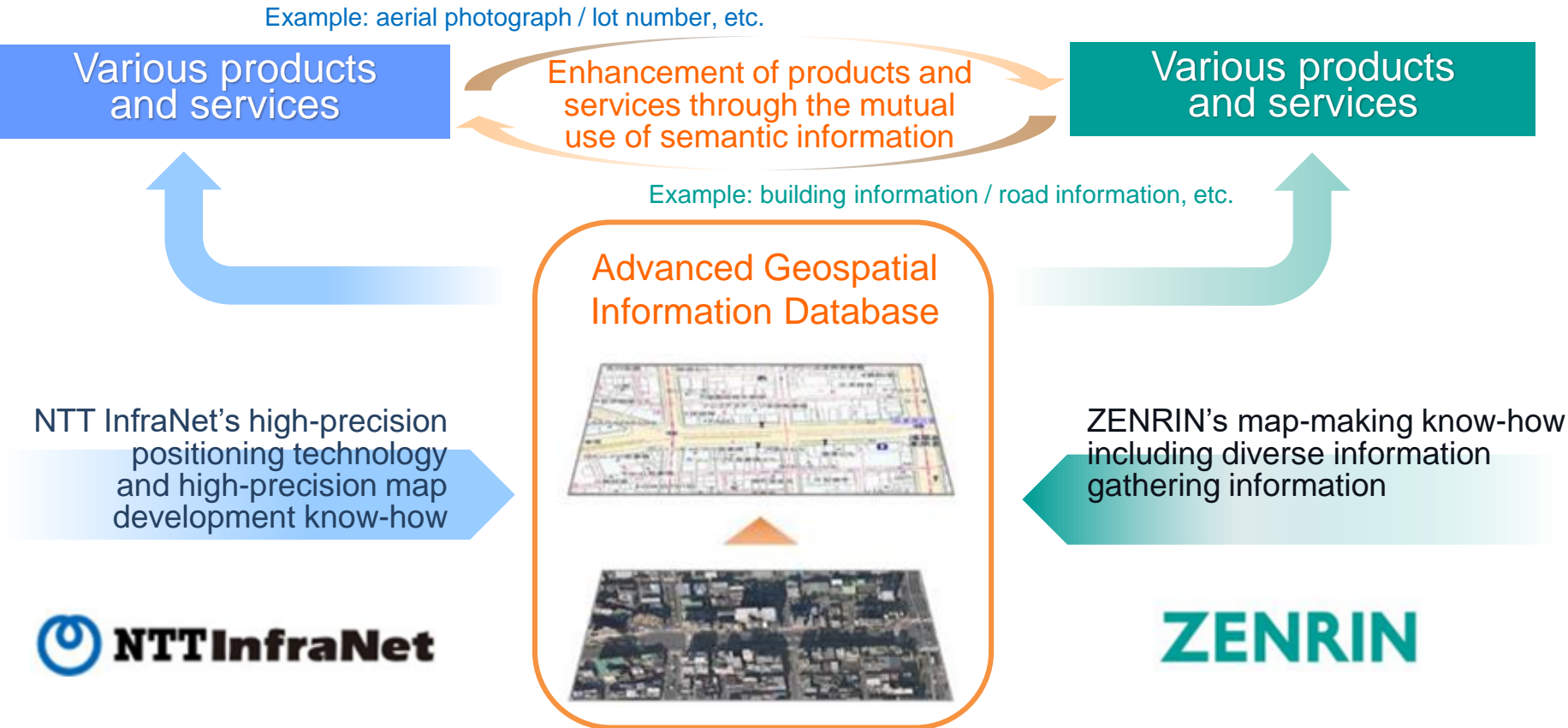


Earn bonus points and exchange them with souvenirs

# 4) Initiatives for Fiscal 2022 (Strengthen Business Foundation)

Briefing on Results for FY2021

Business alliance with NTT InfraNet to jointly develop the “Advanced Geospatial Information Database” as a control point for the digital twin (\*) in an IoT/AI society



\*1 digital twin: An environment/technology that recreates the real world in cyberspace, and by incorporating various data, simulates the phenomena of the real world.  
\*2 ZENRIN and NTT concluded a capital and business alliance agreement on March 26, 2020 to build the Advanced Geospatial Information Database.

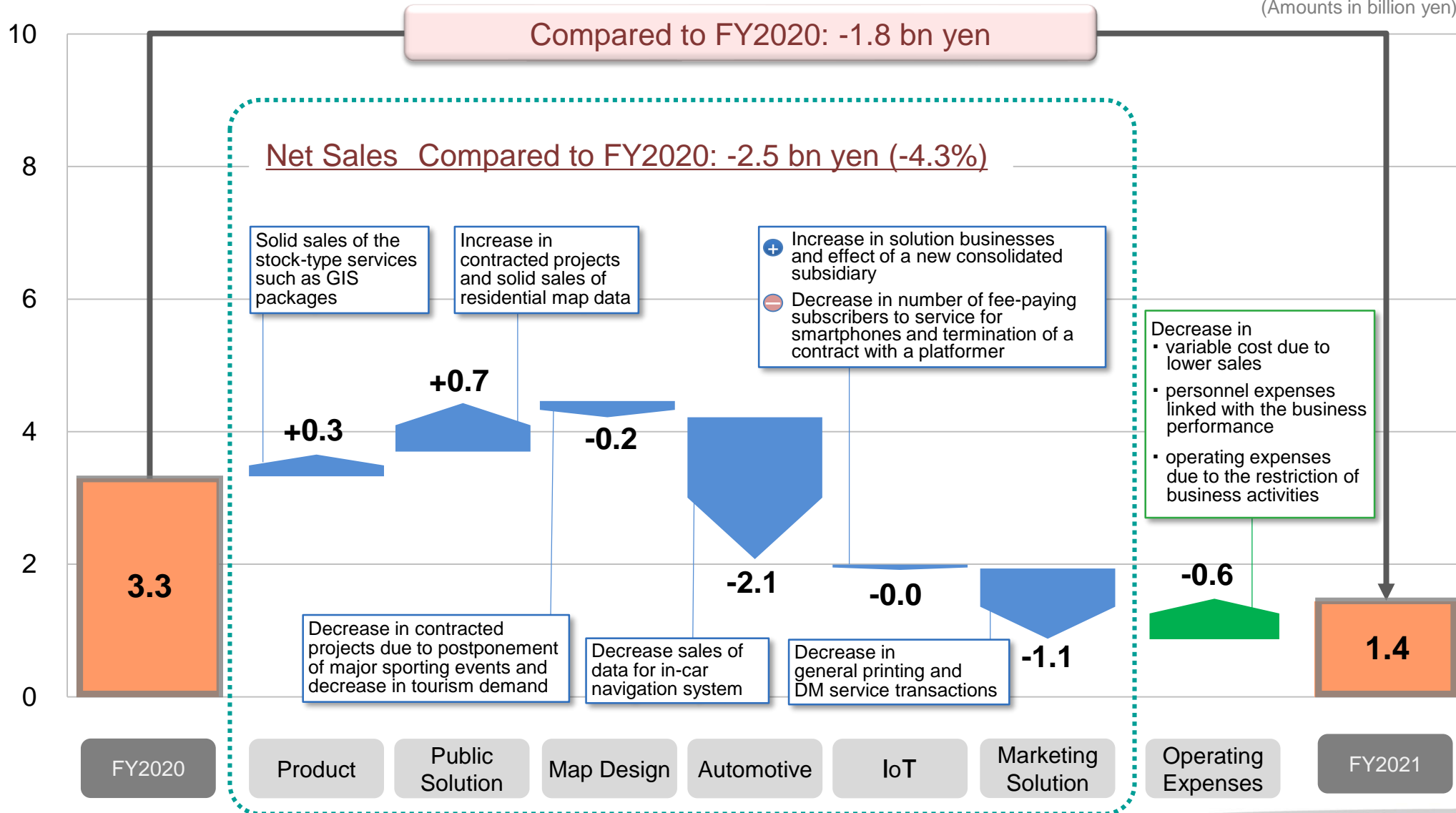
# Appendix

- 1) Causes for Change in Operating Income
- 2) Business Topics
- 3) Amount of Capital Investment, Depreciation and R&D Costs
- 4) Dividend
- 5) Purchase of Treasury Shares
- 6) Changes in Cash Flows
- 7) Changes in Composition of Net Sales by Quarter
- 8) Segment Information

# 1) Causes for Change in Operating Income (Compared to FY2020)

Briefing on Results for FY2021

(Amounts in billion yen)



## 2) Business Topics : Product Business

Briefing on Results for FY2021

### ZGP25 1st Stage Target

Sales of stock-type businesses to expand so much that they account for 50% of total sales through the growth of license business

#### Actual results for fiscal 2021: 15 billion yen (up 0.3 billion yen, YoY)

Sales increased from the previous fiscal year due to the solid performances of stock-type services such as GIS package  
(Stock-type sales: 61st year: approx. 40%)

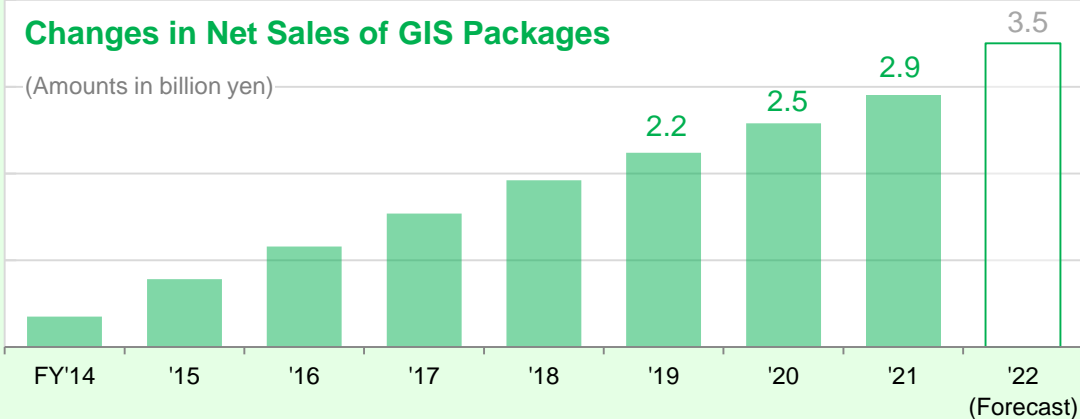
#### Initiatives for fiscal 2022

Continue to promote the shift to stock-type services

Growing into a stable source of income  
in stock-type business

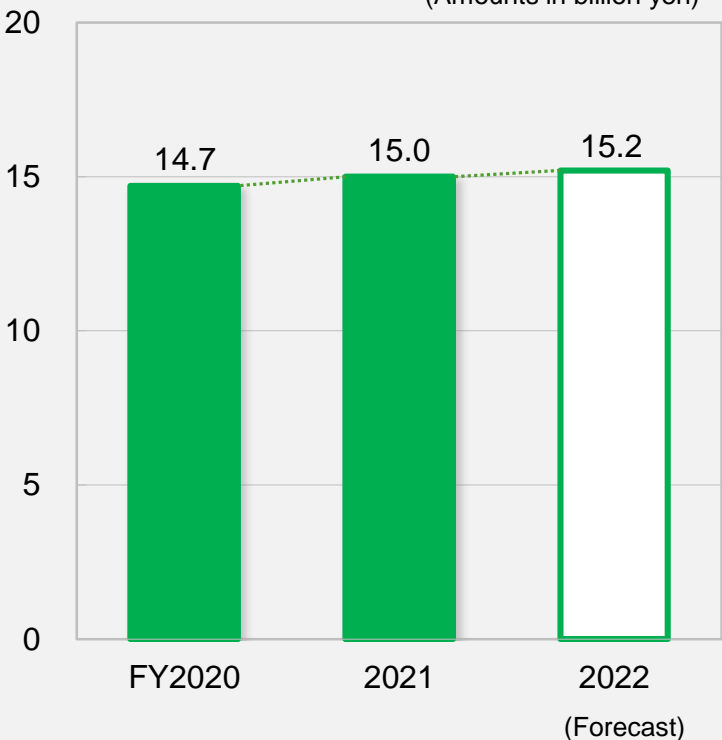
#### Changes in Net Sales of GIS Packages

(Amounts in billion yen)



#### Sales results / ZGP25 1st stage target

(Amounts in billion yen)



\*"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and others have been applied to the figures for fiscal 2022 but not to the figures for the years up to fiscal 2021. The same applies to subsequent pages.



# 2) Business Topics : Public Solution Business

## ZGP25 1st Stage Target

Expand the use of residential map data as a map platform to 1,000 municipalities

### Actual results for fiscal 2021: 7.7 billion yen (up 0.7 billion yen, YoY)

Sales increased from the previous fiscal year due to the strong sales of contracted services related to census and disaster prevention etc. and sales of GIS products.

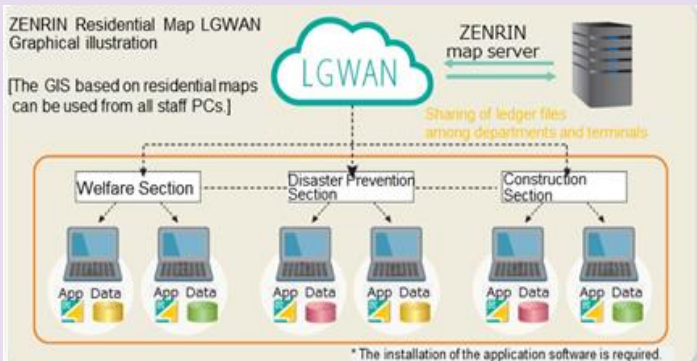
(Use of residential maps has been expanded to 980 municipalities)

### Initiatives for fiscal 2022

Promote “ZENRIN Residential Map LGWAN” and propose new services for promoting map platforms to local governments

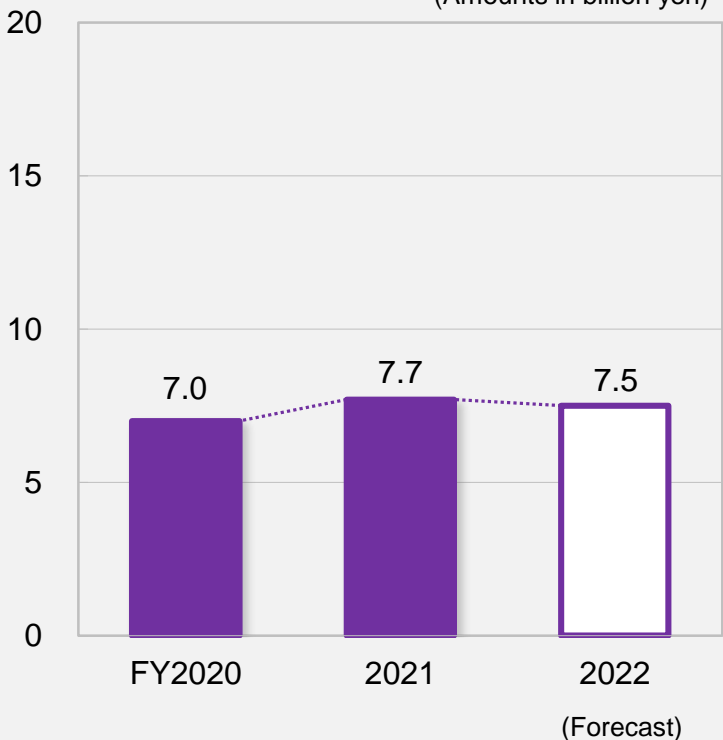
### [What is ZENRIN Residential Map LGWAN?]

A cloud-based residential map service supporting Local Government Wide Area Network (LGWAN) developed by ZENRIN based on its wealth of expertise in providing maps to local governments. To help local government utilize residential maps in their work more effectively, a wealth of functions are offered in the form of a package.



### Sales results / ZGP25 1st stage target

(Amounts in billion yen)



## 2) Business Topics : Map Design Business

Briefing on Results for FY2021

### ZGP25 1st Stage Target

Develop consumer markets with specific targets and map design products

■ **Actual results for fiscal 2021: 0.9 billion yen (down 0.2 billion yen, YoY)**

Scale back contracted projects due to postponement of major sporting events and decrease in tourism demand

■ **Initiatives for fiscal 2022**

- Development and market launch of map design products
- Launch of members-only service 「Michiyuki」

**【Topic】 on April 22, we launched “Michiyuki,” a new service that “records roadside stations and commits them to memory”**

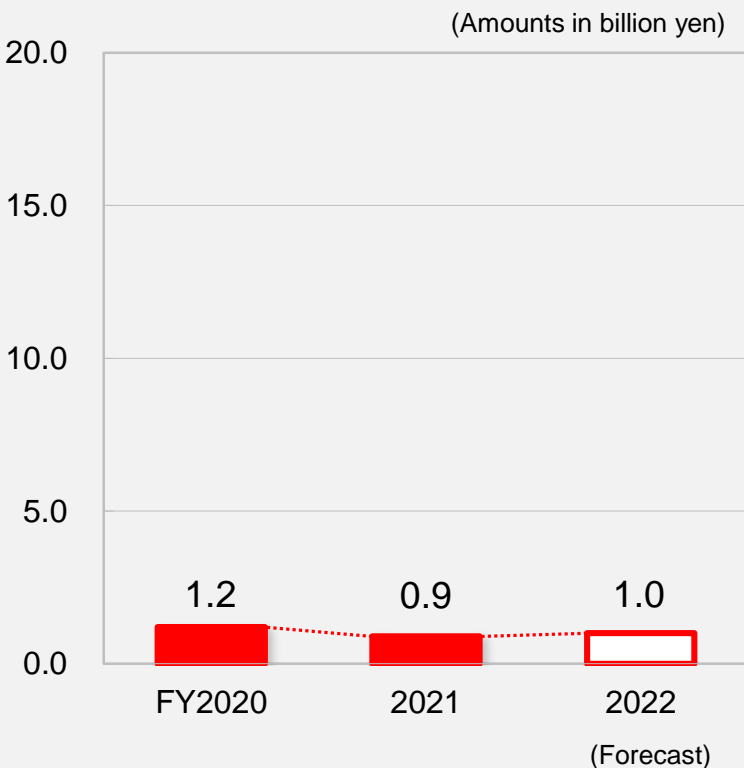
We launched “Michiyuki” for fans of roadside stations as a new service for visiting and further enjoying roadside stations.

“Michiyuki” is a members-only service that supports travels centering around roadside stations through books, smartphone apps, web services, etc. The service provides comprehensive support in planning before the trip, recording the trip on the road, and editing/publishing the recorded information after the trip.

This is a service that only ZENRIN can provide, having published roadmaps with detailed information on roadside stations across the country for 20 years.



### Sales results / ZGP25 1st stage target





## 2) Business Topics : Automotive Business

### ZGP25 1st Stage Target

Create a new stable revenue source through the adoption of the ZENRIN service model

- **Actual results for fiscal 2021: 13.6 billion yen (down 2.1 billion yen, YoY)**  
 Sales of data for in-car navigation systems decreased due to the decrease in new automotive sales caused by the spread of the COVID-19 and semiconductor shortages and scale of contracted project reduced. As a result, sales decreased significantly compared to fiscal 2020.
- **Initiatives for fiscal 2022**
  - Maintain market share in the in-car navigation market
  - Continue the efforts related to ADAS/automated driving
  - Proposal of data-update businesses supporting connected vehicles

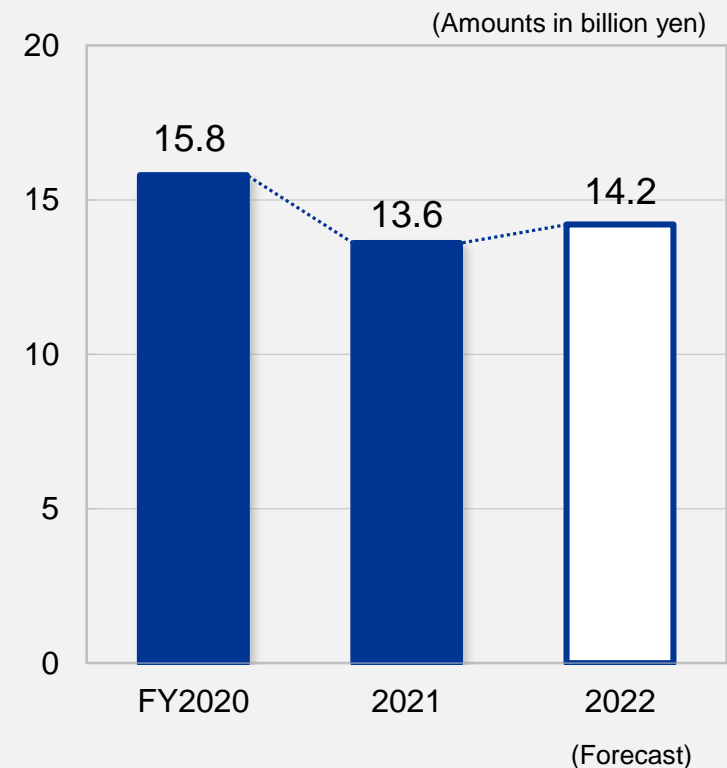
**【Topic】“3D High-precision Map Data” is adopted by Honda, following the adoption by Nissan Motor in 2019.**

**ZENRIN’s “3D High-precision Map Data” has been adopted by “LEGEND,” equipped with “Honda SENSING Elite”, the world’s first level 3 autonomous driving technology**

<Overview of “3D High-precision Map Data”>

ZENRIN’s 3D High-precision Map Data is map data based on the 3D map common platform data of the highways and freeways of Japan of Dynamic Map Platform Co., Ltd., to which unique information gathered and developed by ZENRIN has been added. By using the 3D High-precision Map Data combined with the other sensors installed in the vehicle, 360 degree-information surrounding the vehicle and its precise position on the road can be grasped while also making it possible to control the vehicle’s speed and plan driving routes for each lane.

Sales results / ZGP25 1st stage target



# 2) Business Topics : IoT Business

## ZGP25 1st Stage Target

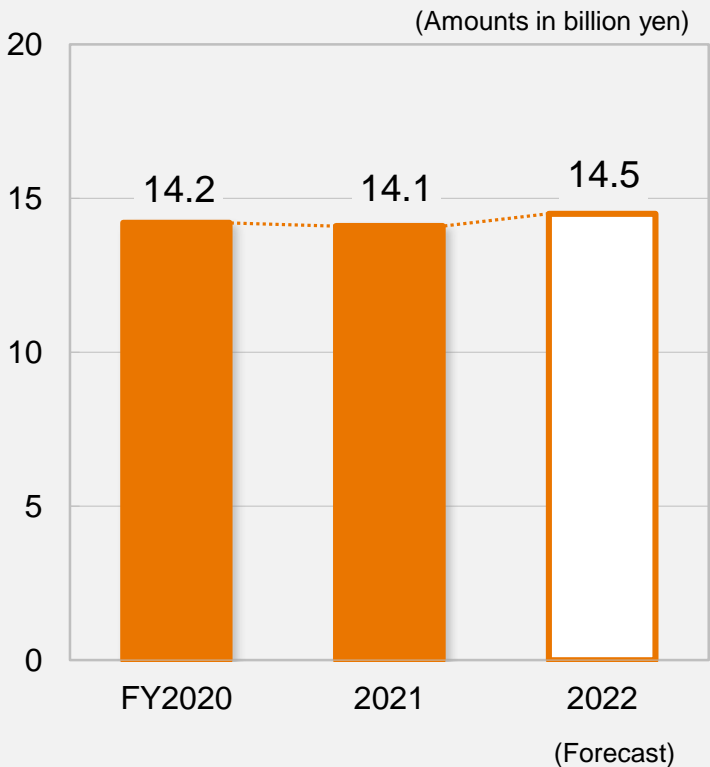
Share expansion in new platforms that use location information

- **Actual results for fiscal 2021: 14.1 billion yen (down 0.0 billion yen, YoY)**  
Remained at the same level as the previous fiscal year due to the solid performances of the solution business for large companies, despite the decrease in the number of fee-paying subscribers for services for smartphones and the termination of a contract with a platformer.
- **Initiatives for fiscal 2022**
  - Expanding sales of industry solutions through “ZENRIN Maps API,” the API for utilizing ZENRIN’s geospatial database.
  - Initiatives to monetize the MaaS business

### 【Topic】 Case study of MaaS initiatives

- Demonstration tests in Nagasaki  
Demonstration tests of the tourism-type MaaS which digitalizes and provides tourist information such as Nagasaki’s history and culture and information on public transportation services through smartphone apps are scheduled to begin from fiscal 2021.
- The experimental project in Okinawa  
We have been conducting the experimental project on the tourism-type MaaS across Okinawa from December 2020.

### Sales results / ZGP25 1st stage target



# 2) Business Topics : Marketing Solution Business

## ZGP25 1st Stage Target

Introduce new services in the marketing support service market

- **Actual results for fiscal 2021: 5.5 billion yen (down 1.1 billion yen, YoY)**  
Sales decreased from the previous fiscal year due to a reduction in events and sales promotion activities by customers as a result of the spread of the COVID-19.
- **Initiatives for fiscal 2022**
  - Expansion of stock-type services such as “RakuRaku sales promotion map”
  - Promoting the development of new services

**[ What is RakuRaku sales promotion map ? ]**

An easily operated, cloud-type, sales promotion support tool. A stock-type service for small- to medium-sized stores available from ¥1,100 per month

Features

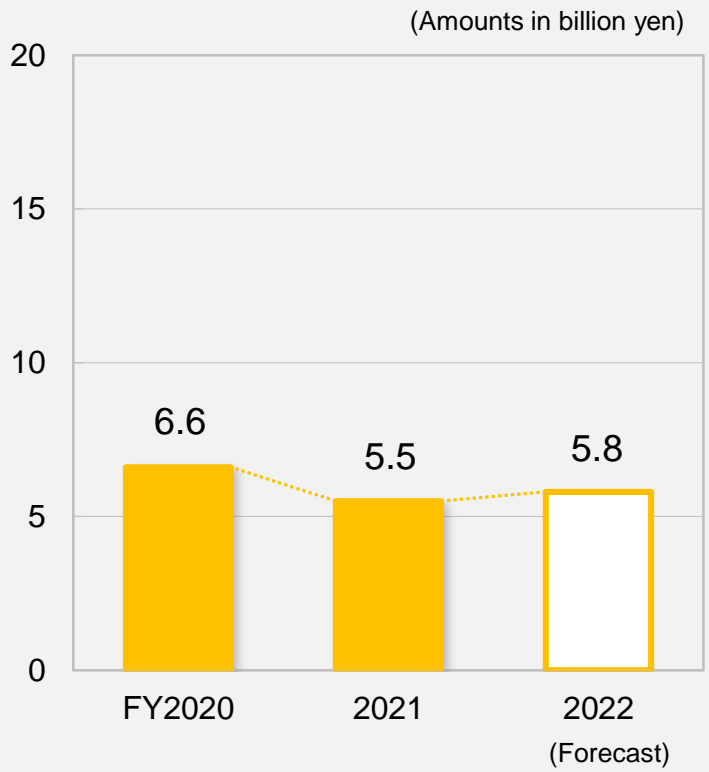
- Deliberate sales promotion plans on the map
- Create flyers easily by selecting from a large stock of templates
- Confirm the detailed map for deliveries and distribution

Find out the number of Households on the map.

Find out where the customers are on the map.

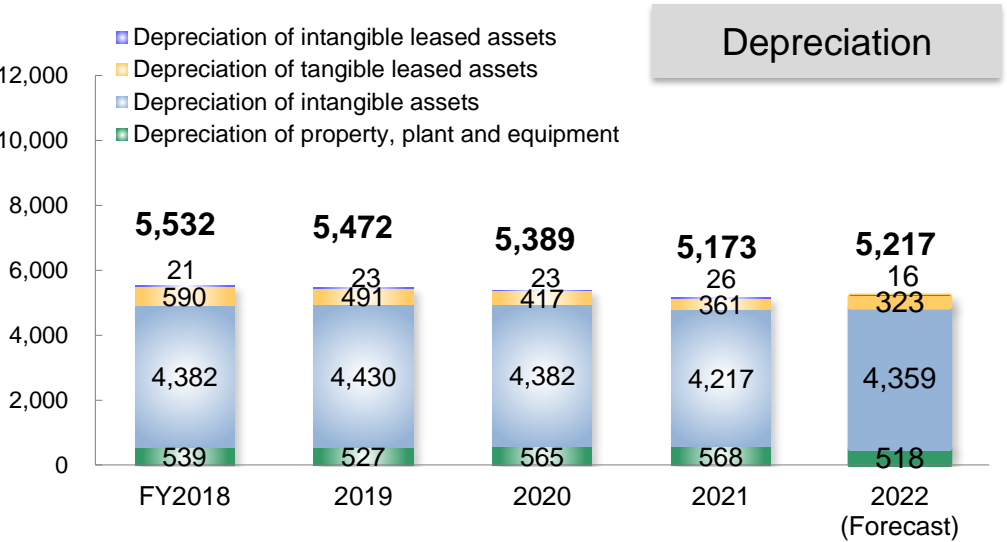
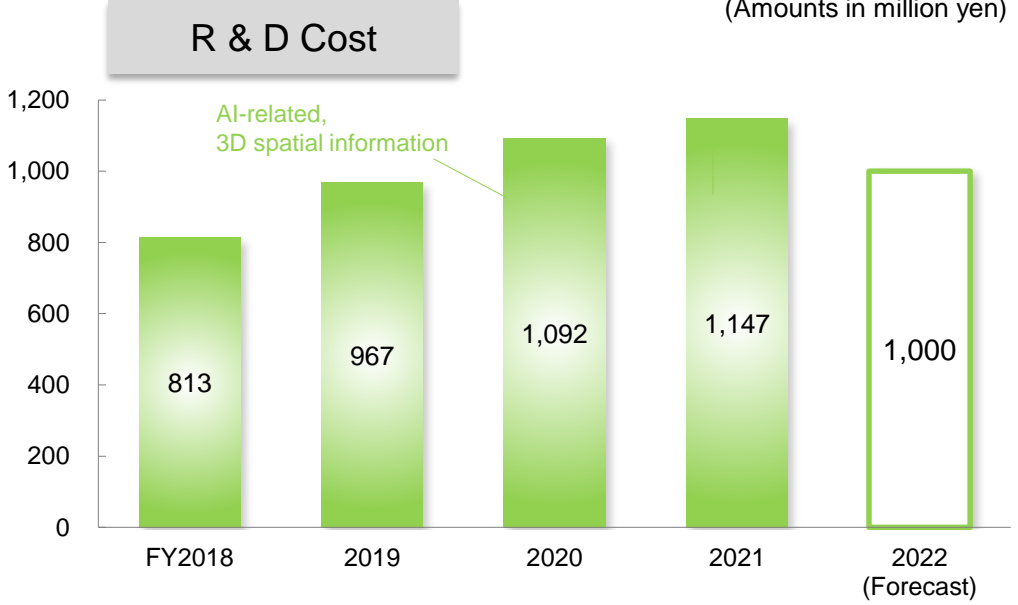
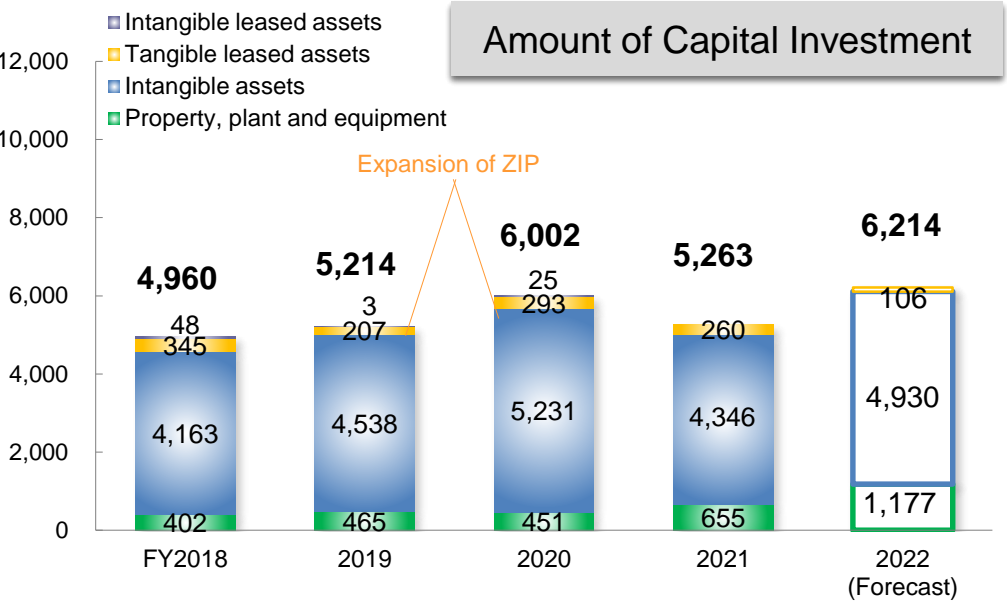
Create flyers easily

Sales results / ZGP25 1st stage target



# 3) Amount of Capital Investment, Depreciation and R&D Costs

Briefing on Results for FY2021



Capital investment and R&D costs remain at the same level as the previous years.

# 4) Dividend

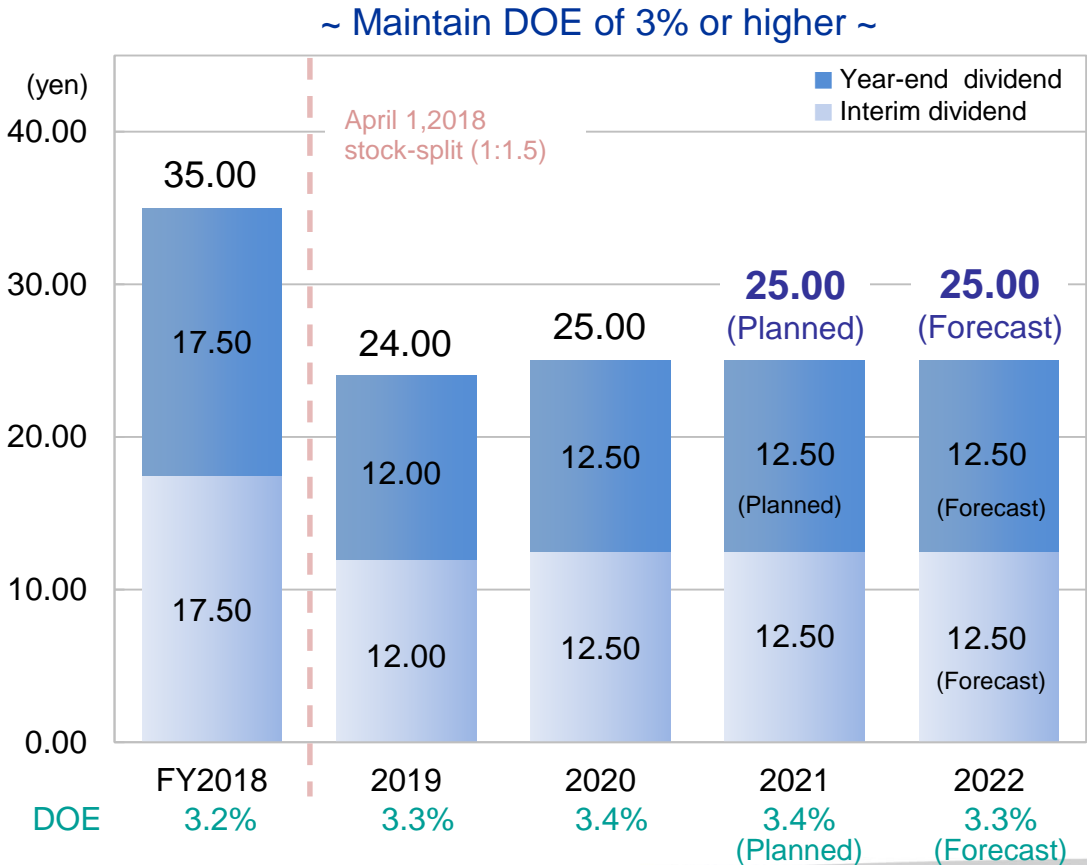
Basic  
Policy

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

FY2021 Dividend	
Interim	12.50 yen
Year-end	12.50 yen (Planned)
Annual	25.00 yen (Planned)

FY2022 Dividend (Forecast)	
Interim	12.50 yen
Year-end	12.50 yen
Annual	25.00 yen



# 5) Purchase of Treasury Shares

## Purpose

Implement an agile capital policy in response to changes in the business environment, enhance capital efficiency, and strengthen shareholder returns

### 【FY2021】

Details of the resolution at the Board meeting on April 28, 2020		Implementation status of acquisition
Period of Purchase	From May 1, 2020 to April 30, 2021	From may 1, 2020 to April 30, 2021
Number of Shares Purchased	Up to 2 million shares	1,600,600 shares (80.03%)
Purchase Price	Up to 3 billion yen	2,022,223,700 yen (67.41%)

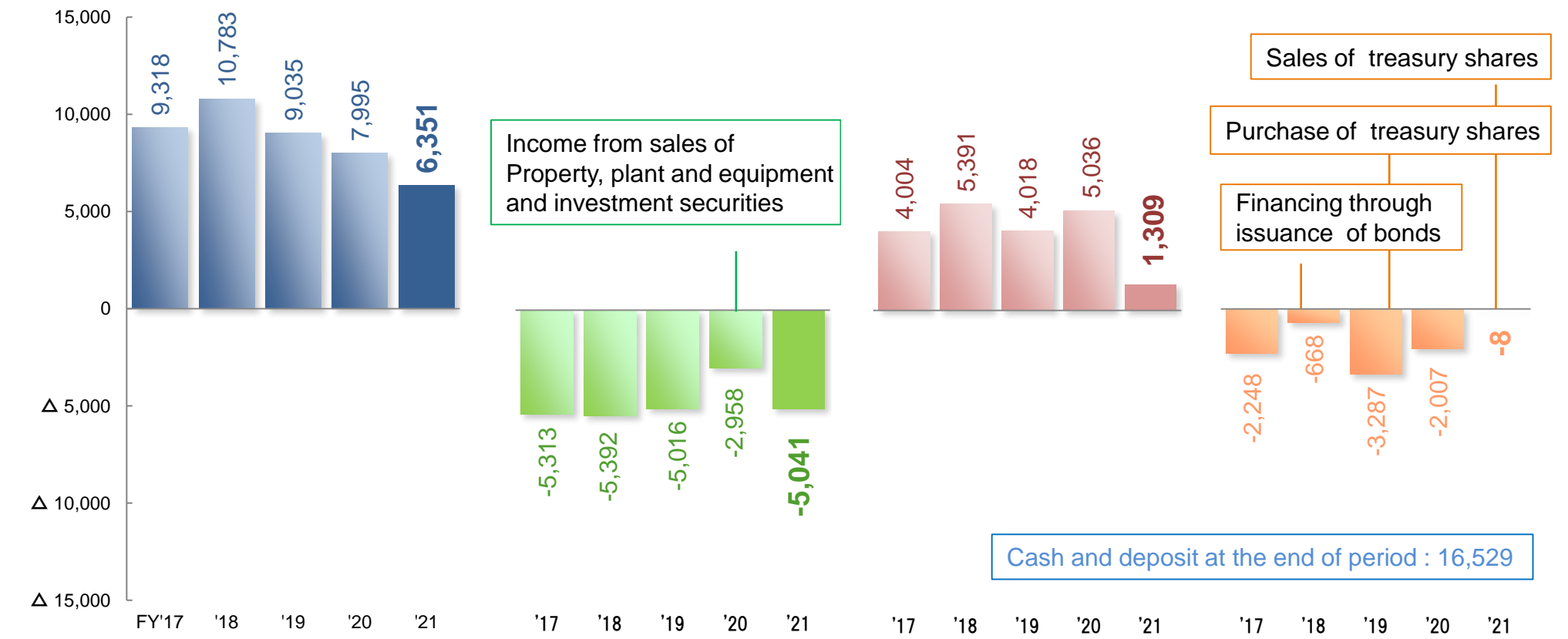
### 【FY2022】

Details of the resolution at the Board meeting on April 28, 2021	
Period of Purchase	From May 6, 2021 to March 31, 2022
Number of Shares To be purchased	Up to 1 million shares
Purchase Price	Up to 1.5 billion yen

(Amounts in million yen)

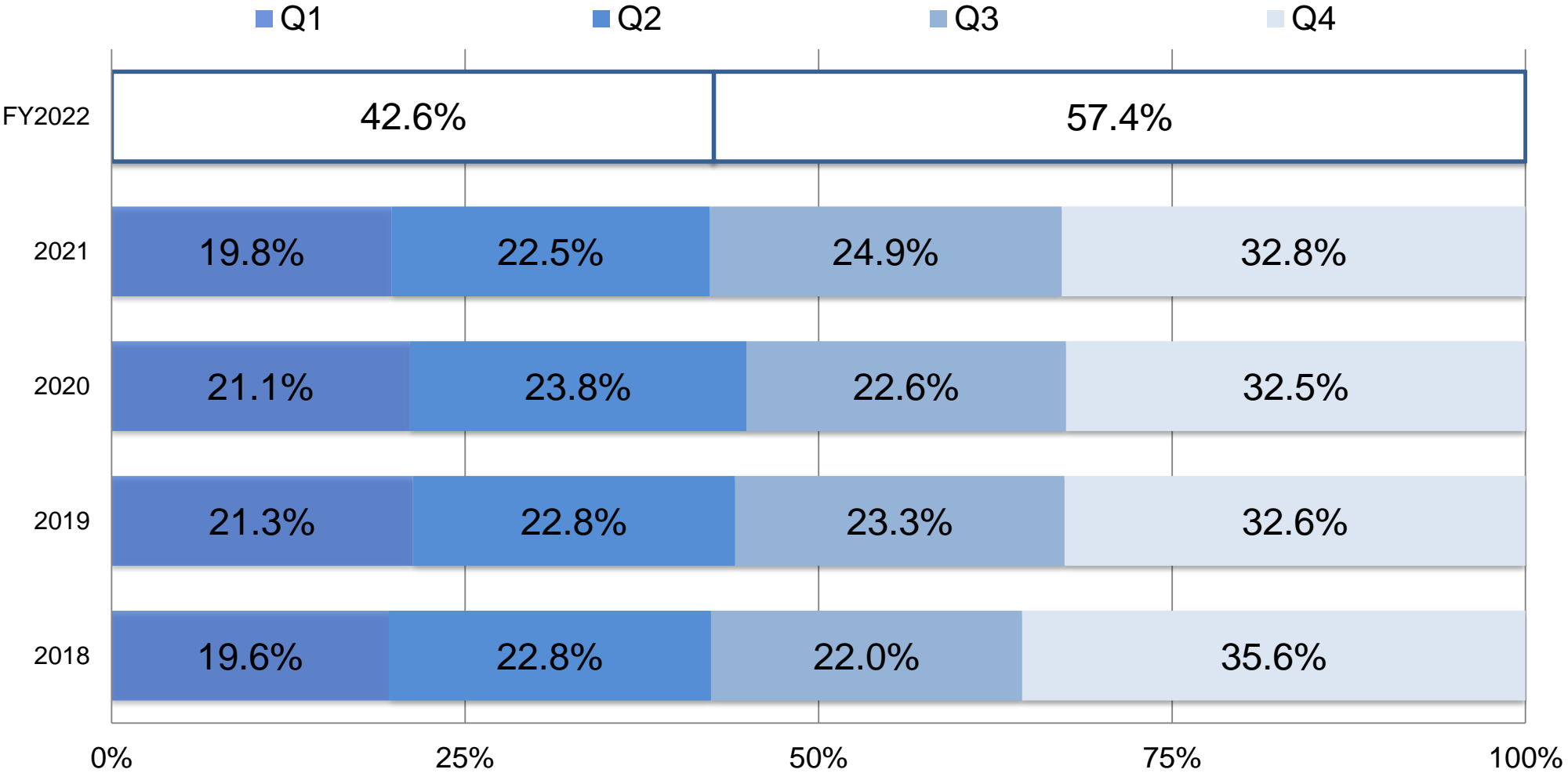
# 6) Changes in Cash Flows

	Operating Cash Flows	Investing Cash Flows	Free Cash Flows	Financing Cash Flows
	6,351	-5,041	1,309	-8
Compared to FY2020	Inflows Down 1,643	Outflows Up 2,082	Inflows Down 3,726	Outflows Down 1,998



# 7) Changes in Composition of Net Sales by Quarter

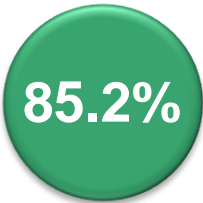
Briefing on Results for FY2021





# 8) Segment Information

Sales  
Composition



## 1. Map Database Segment

**Main Items:** Manufacture and sales of printed residential maps  
and special-purpose maps  
Manufacture and sales of residential map databases  
and data for in-car navigation systems  
Manufacture and sales of map data for internet services  
Provision of services for smartphones



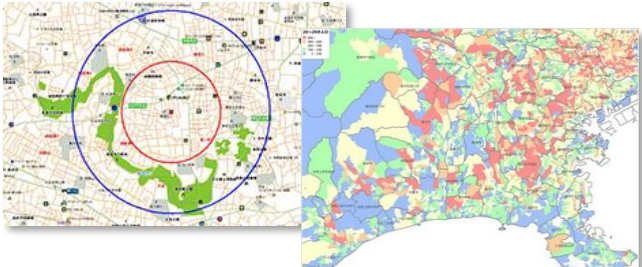
## 2. General Printing Segment

**Main Items:** Manufacture and sales  
of general printing goods



## 3. Other

**Main Items:** Provision of marketing solution  
Sales of purchased products



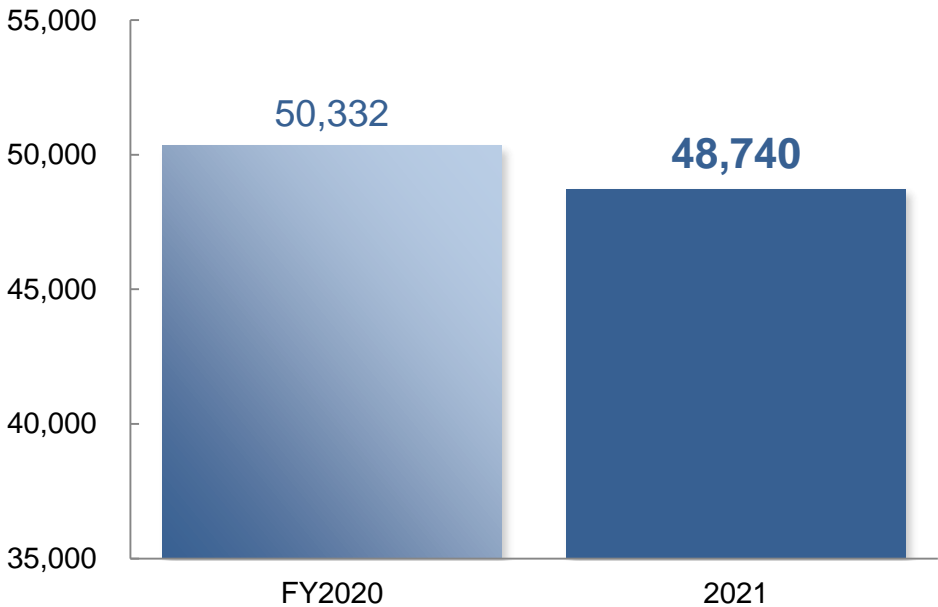
\*From the first quarter of FY2021, changes, etc., of reportable segments were made.

# 8) Segment Information : Map Database Segment

## Net Sales

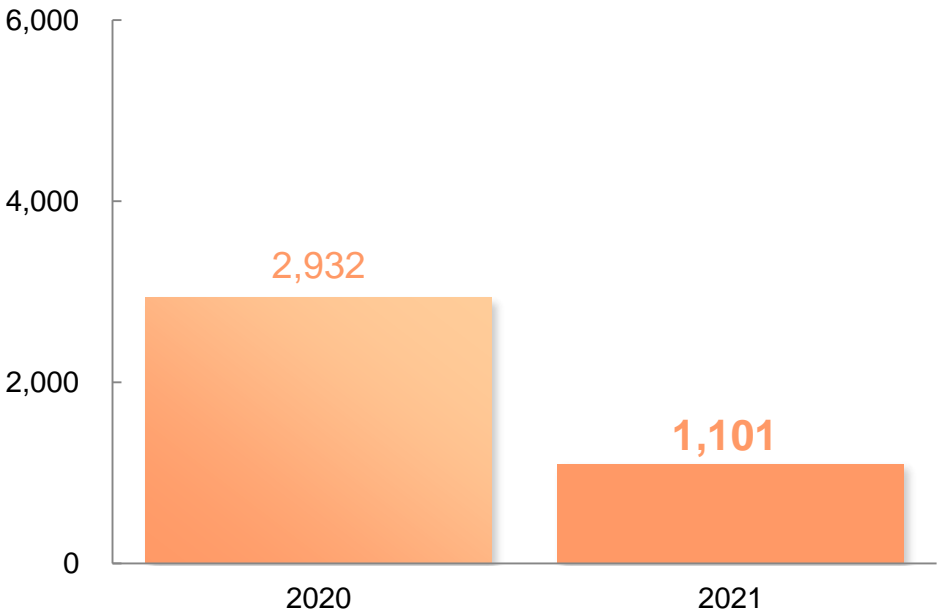
Compared  
to FY2020

Down 1,591 (-3.2%)



## Operating Income

Down 1,831 (-62.5%)



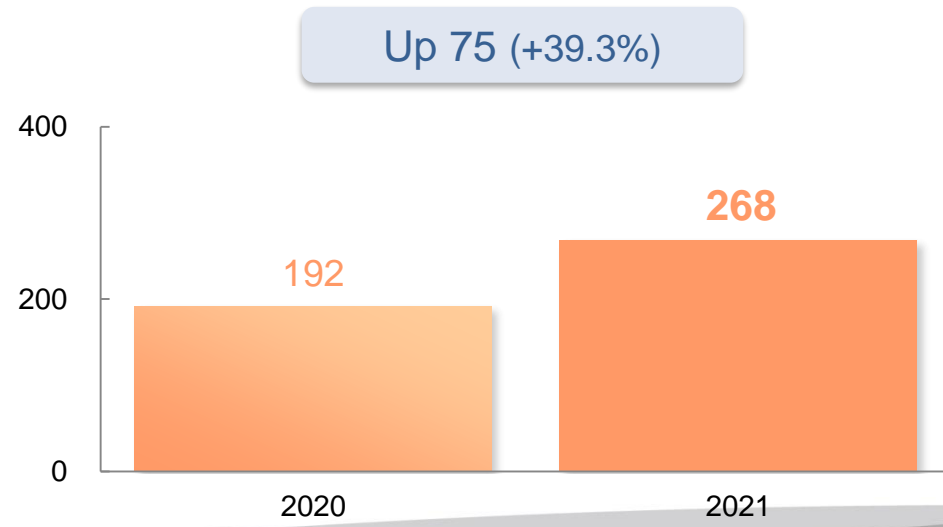
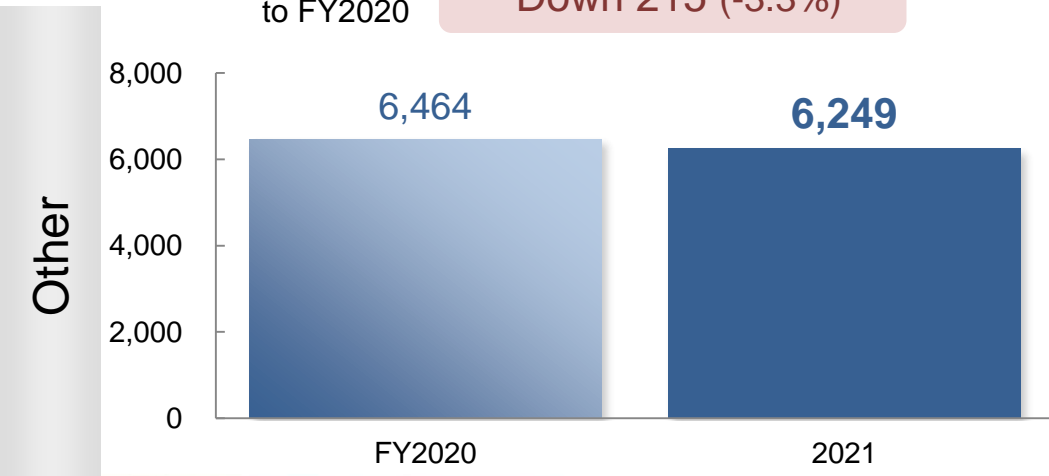
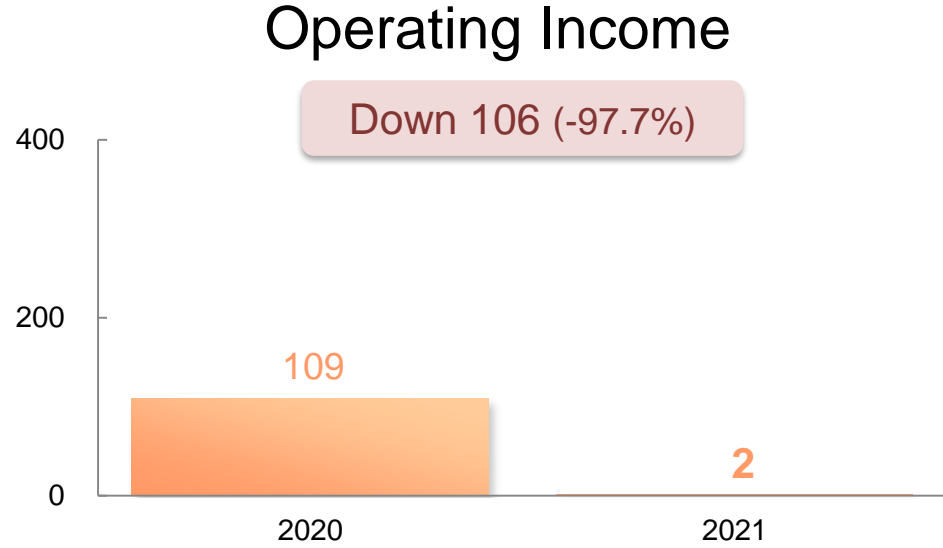
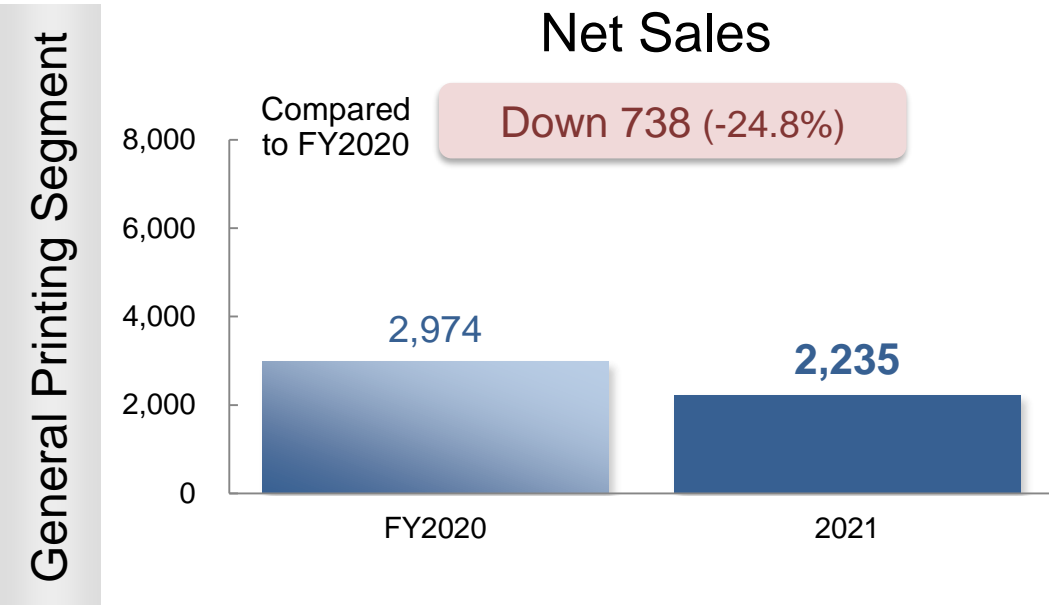
- Sales decreased mainly due to a decrease in sales of data for in-car navigation systems, despite steady sales of contracted projects for corporations and local governments and GIS packages.
- Despite a decrease in personnel expenses and operating expenses, operating income deteriorated due to lower revenue and higher upfront investment expenses.

\*From the first quarter of fiscal 2021, changes, etc., of reportable segments were made.  
Figures for the previous fiscal year were reclassified to conform to segments after these changes..

# 8) Segment Information : General Printing Segment, and Other

Briefing on Results for FY2021

(Amounts in million yen)



\*From the first quarter of fiscal 2021, changes, etc., of reportable segments were made.  
Figures for the previous fiscal year were reclassified to conform to segments after these changes..

# ZENRIN

## Maps to the Future

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