

Results for First 3 Quarters of Fiscal 2021 (Year Ending March 31, 2021)

January 29, 2021

ZENRIN Co., Ltd.

1. Results for First 3 Quarters of Fiscal 2021
2. Earnings Forecast for Fiscal 2021
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 2021

- 1) Overview of Results
- 2) Changes in Net Sales, Income and Profit
- 3) Causes for Change in Operating Income
- 4) Net Sales by Business
under Medium- to Long-Term Business Plan ZGP25
- 5) Segment Information

1-1) Overview of Results

Key Points of Results for First 3 Quarters of Fiscal 2021

Compared to the First 3 Quarters of Fiscal 2020 <decrease in sales and income>

- Although contract services to corporations and local governments and the sales of the GIS package, a stock-type service, were firm, sales decreased due to a drop in sales of data for in-car navigation systems in the Automotive business and the reduction in sales promotion activities by customers in the Marketing Solutions business. As a result, net sales decreased for two consecutive periods.
- In terms of profit, operating costs decreased due to a drop in personnel costs linked with the business performance and restrictions on business activities in COVID-19 pandemic. However, a loss was recorded for two consecutive periods due to the significant impact of decreased sales.

(Amounts in million yen)

	First 3Qs of FY2020 Actual	First 3Qs of FY2021 Actual	Compared to First 3Qs of FY2020	% of Change
Net Sales	40,316	38,429	-1,886	-4.7
Operating Expenses	40,782	40,149	-633	-1.6
Operating Income	-466	-1,719	-1,253	—
Operating Margin	-1.2%	-4.5%	-3.3pt	
Ordinary Income	-160	-1,482	-1,322	—
Profit Attributable to Owners of Parent	236	-758	-995	—

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

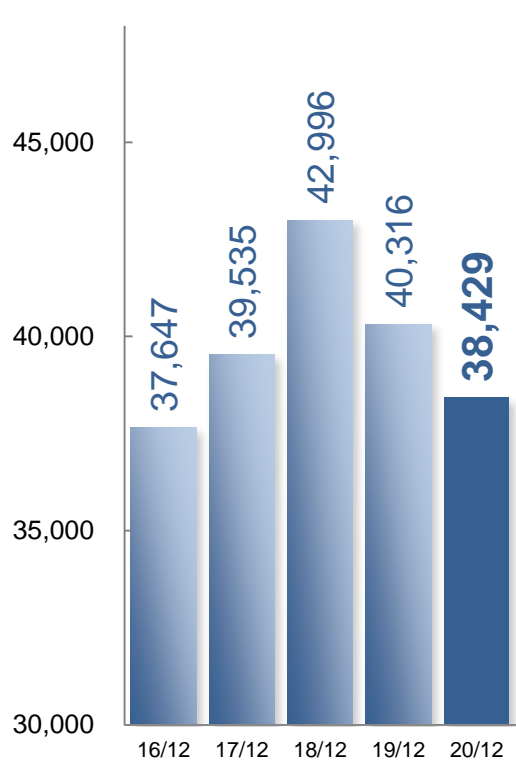
Results for First 3 Quarters of Fiscal 2021

(Amounts in million yen)

Compared to
First 3Qs of
FY2020

Net Sales

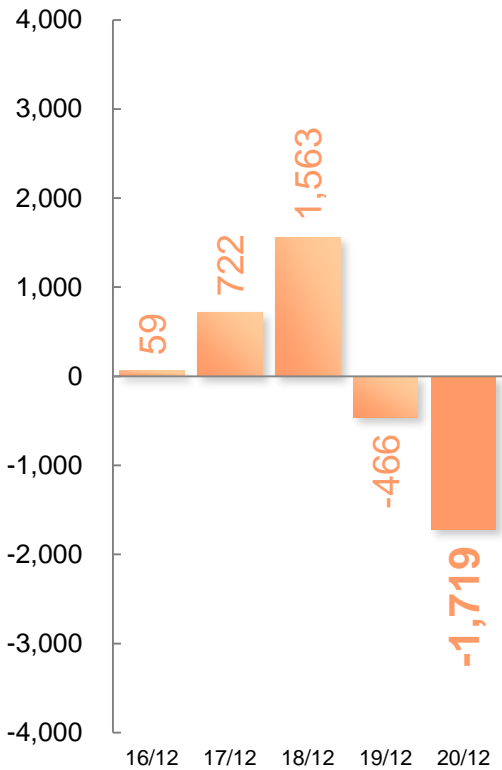
Down 1,886 (-4.7%)



Decrease in sales
for consecutive 2 periods

Operating Income

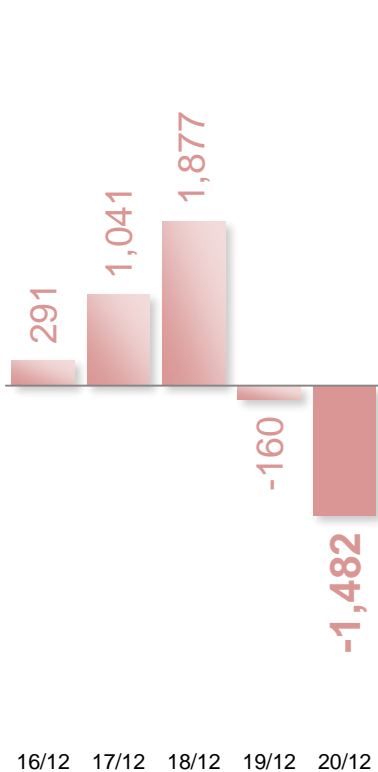
Downturn of 1,253 (—)



Decrease in profit for consecutive 2 periods

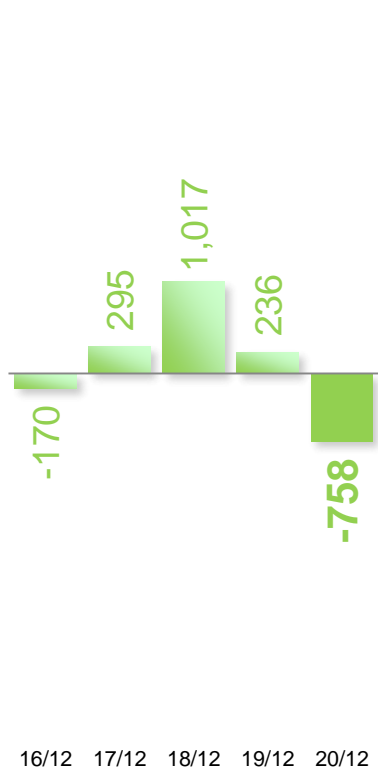
Ordinary Income

Downturn of 1,322 (—)



Profit Attributable to Owners of Parent

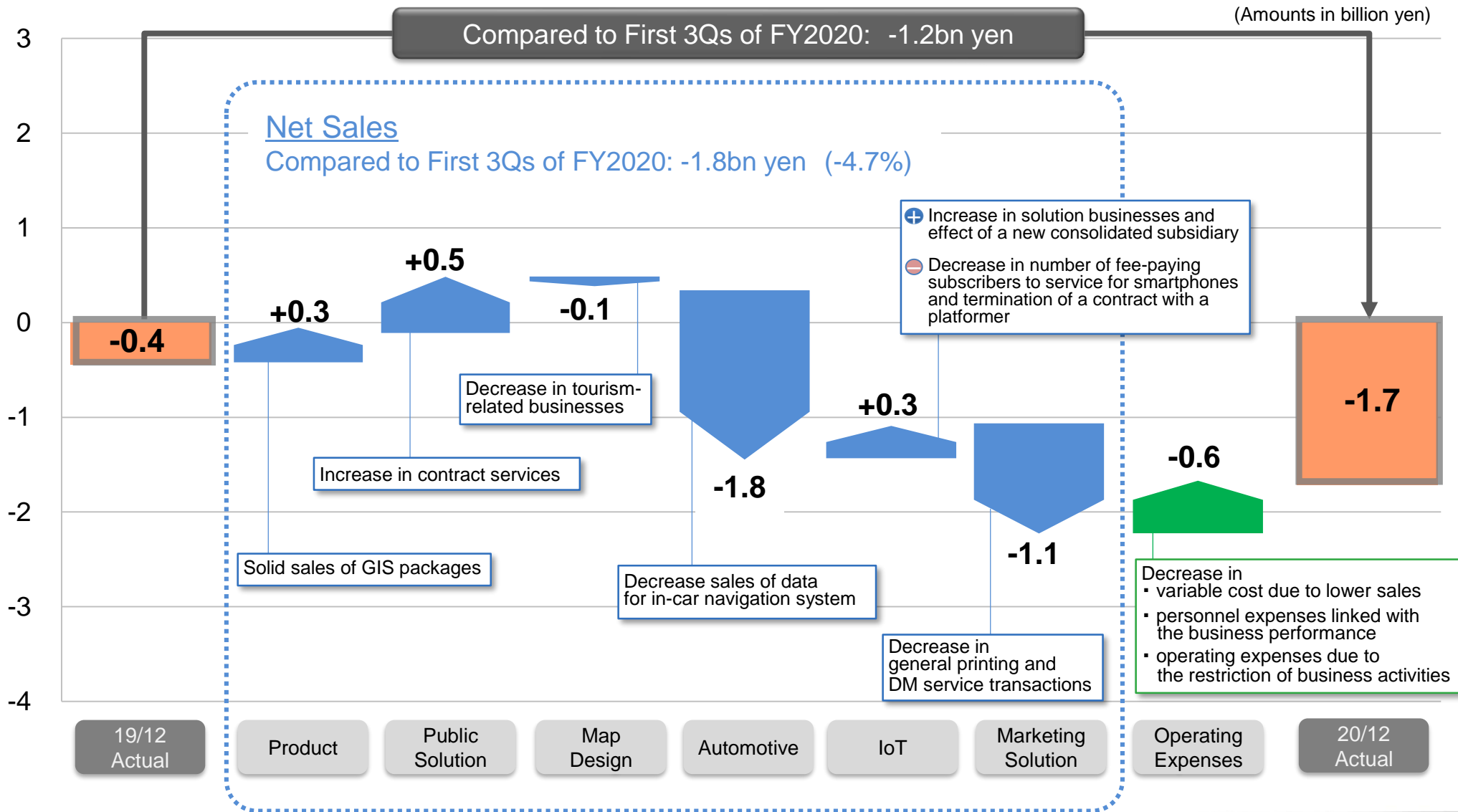
Downturn of 995 (—)



Profit in previous period
→ Loss

1-3) Causes for Change in Operating Income

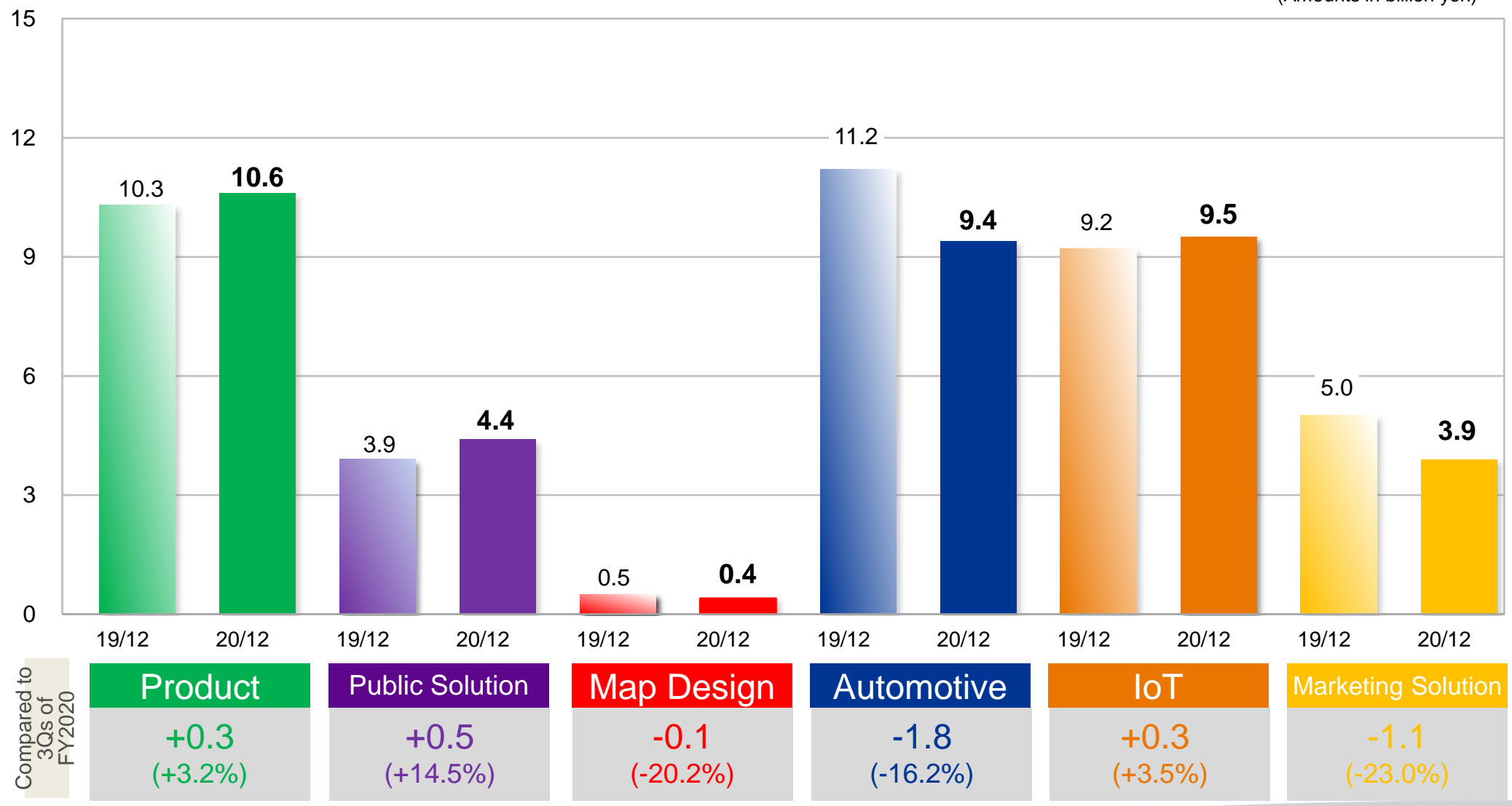
Results for First 3 Quarters of Fiscal 2021



1-4) Net Sales by Business under ZGP25

Results for First 3 Quarters of Fiscal 2021

(Amounts in billion yen)



1-5) Segment Information

Results for First 3 Quarters of Fiscal 2021

Sales
Composition

84.4%

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



4.1%

2. General Printing Segment

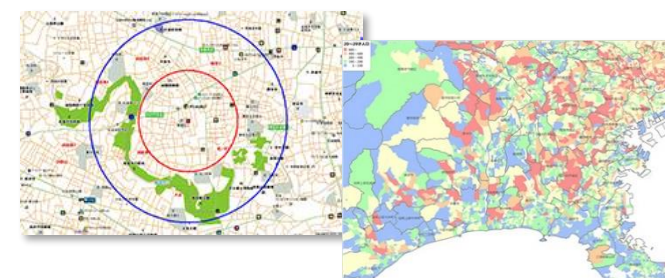
Main Items: Manufacture and sales
of general printing goods



11.5%

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.

1-5) Map Database Segment

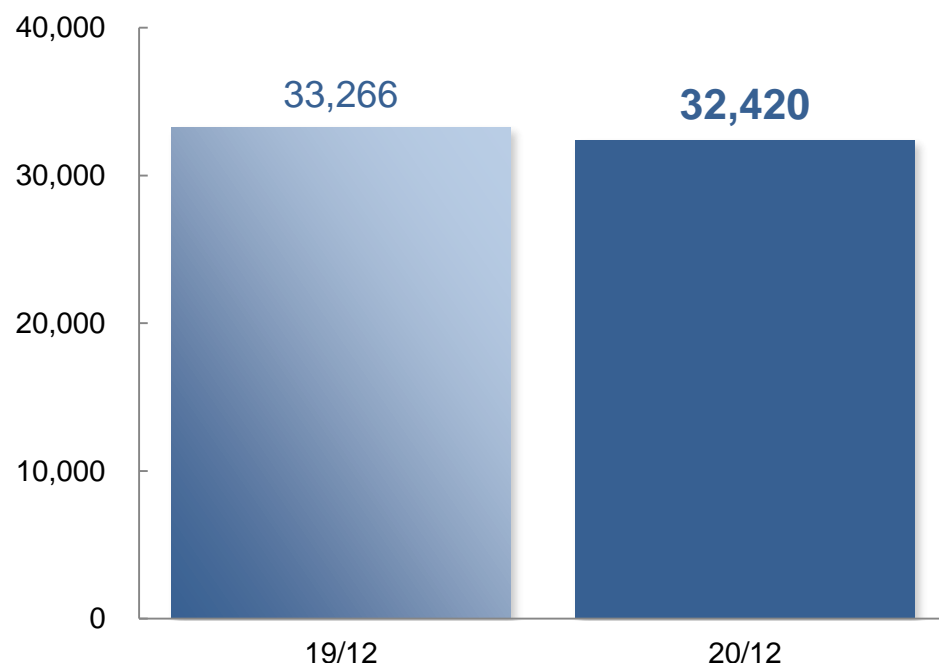
Results for First 3 Quarters of Fiscal 2021

(Amounts in million yen)

Net Sales

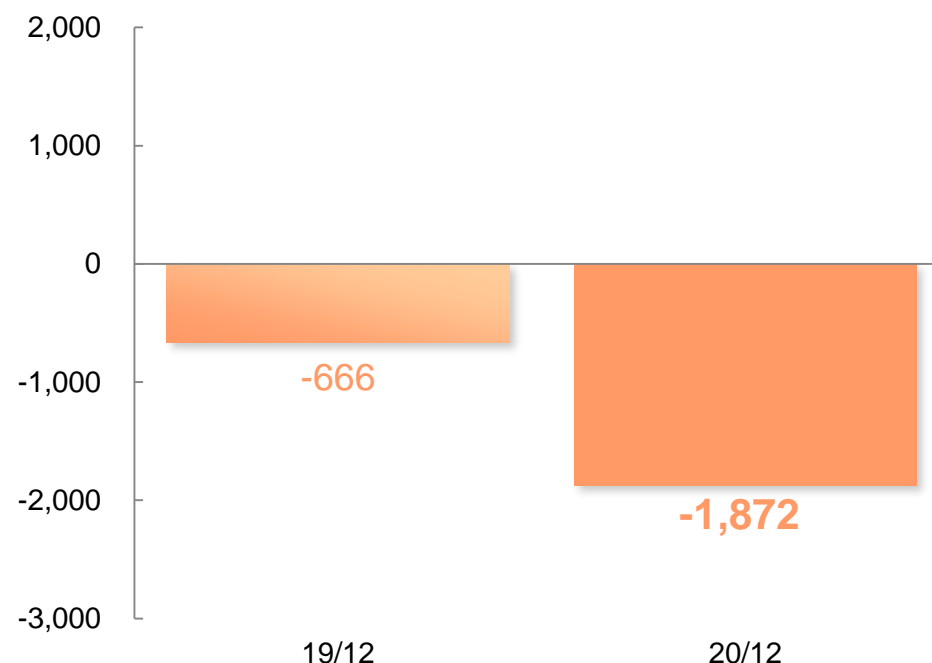
Compared to
First 3Qs of
FY2020

Down 845 (-2.5%)



Operating Income

Downturn of 1,205 (—)



- 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.

1-5) General Printing Segment, and Other

Results for First 3 Quarters of Fiscal 2021

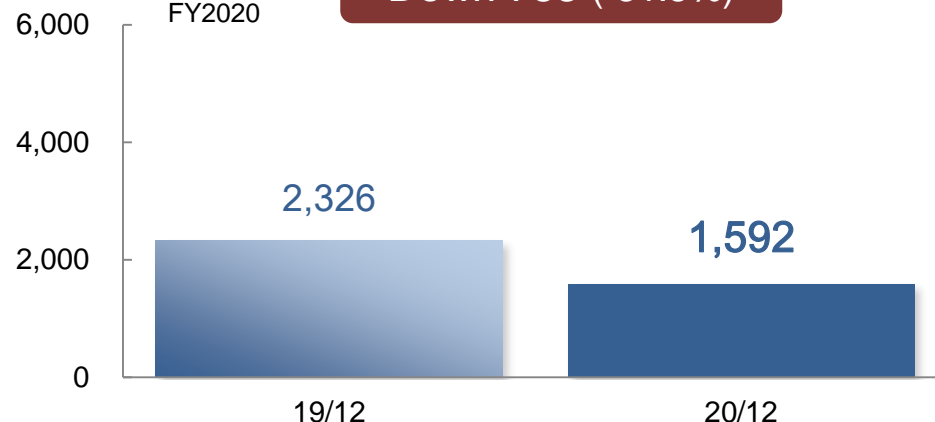
(Amounts in million yen)

General Printing Segment

Net Sales

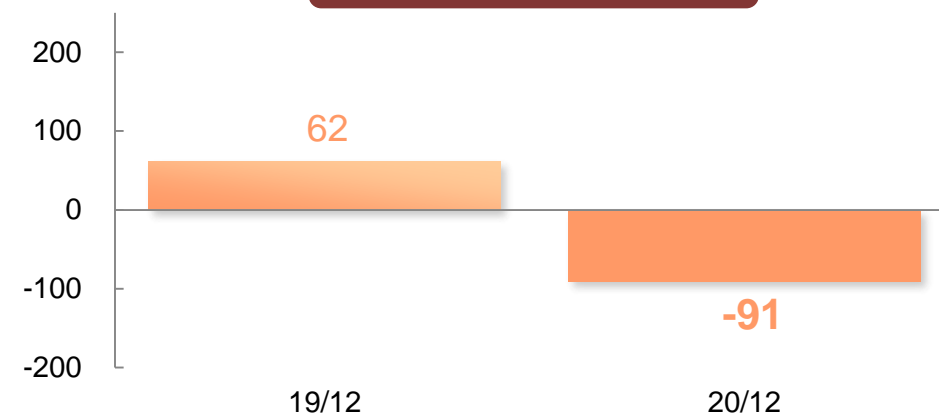
Compared to
First 3Qs of
FY2020

Down 733 (-31.5%)



Operating Income

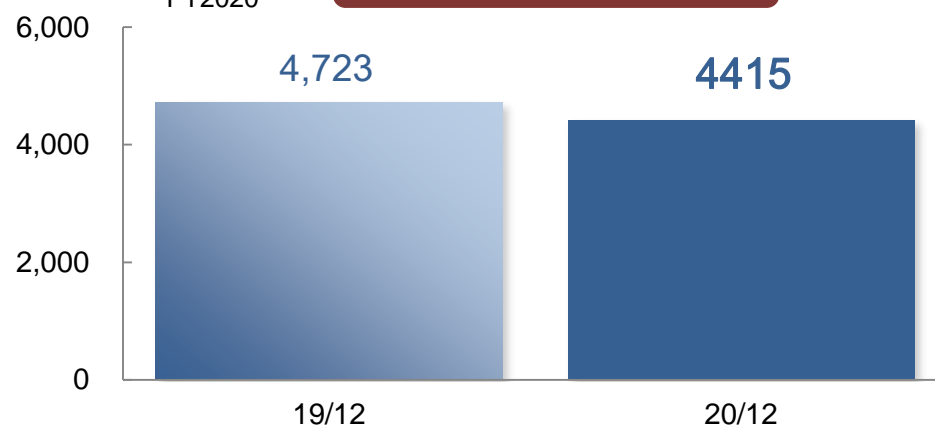
Downturn of 153 (—)



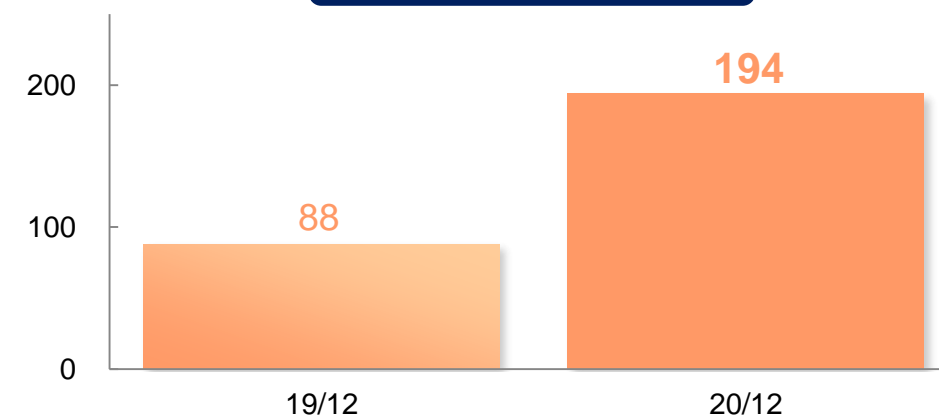
Other

Compared to
First 3Qs of
FY2020

Down 307 (-6.5%)



Up 105 (+119.1%)



*From the consolidated first quarter of fiscal 2021, 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..

2. Earnings Forecast for Fiscal 2021

- 1) Overview of Earnings Forecast for Fiscal 2021
(No change from the figures announced on July 29, 2020)
- 2) Net Sales by Business
under Medium- to Long-Term Business Plan ZGP25
- 3) Changes in Composition of Net Sales by Quarter
- 4) Shareholder Returns

2-1) Overview of Earnings Forecast for Fiscal 2021

Earnings Forecast for Fiscal 2021

The forecast for the consolidated results of operations in fiscal 2021 remains unchanged from the forecast announced on July 29, 2020, because the outlook for recovery in economic activity remains still uncertain due to the re-emergence of the COVID-19.

(Amounts in million yen)	FY2020 Actual	FY2021 Forecast	Compared to FY2020	% of Change
Net Sales	59,771	58,500	-1,271	-2.1
Operating Expenses	56,470	57,000	529	0.9
Operating Income	3,300	1,500	-1,800	-54.6
Operating Margin	5.5%	2.6%	-2.9pt	
Ordinary Income	3,709	1,700	-2,009	-54.2
Profit Attributable to Owners of Parent	2,633	900	-1,733	-65.8

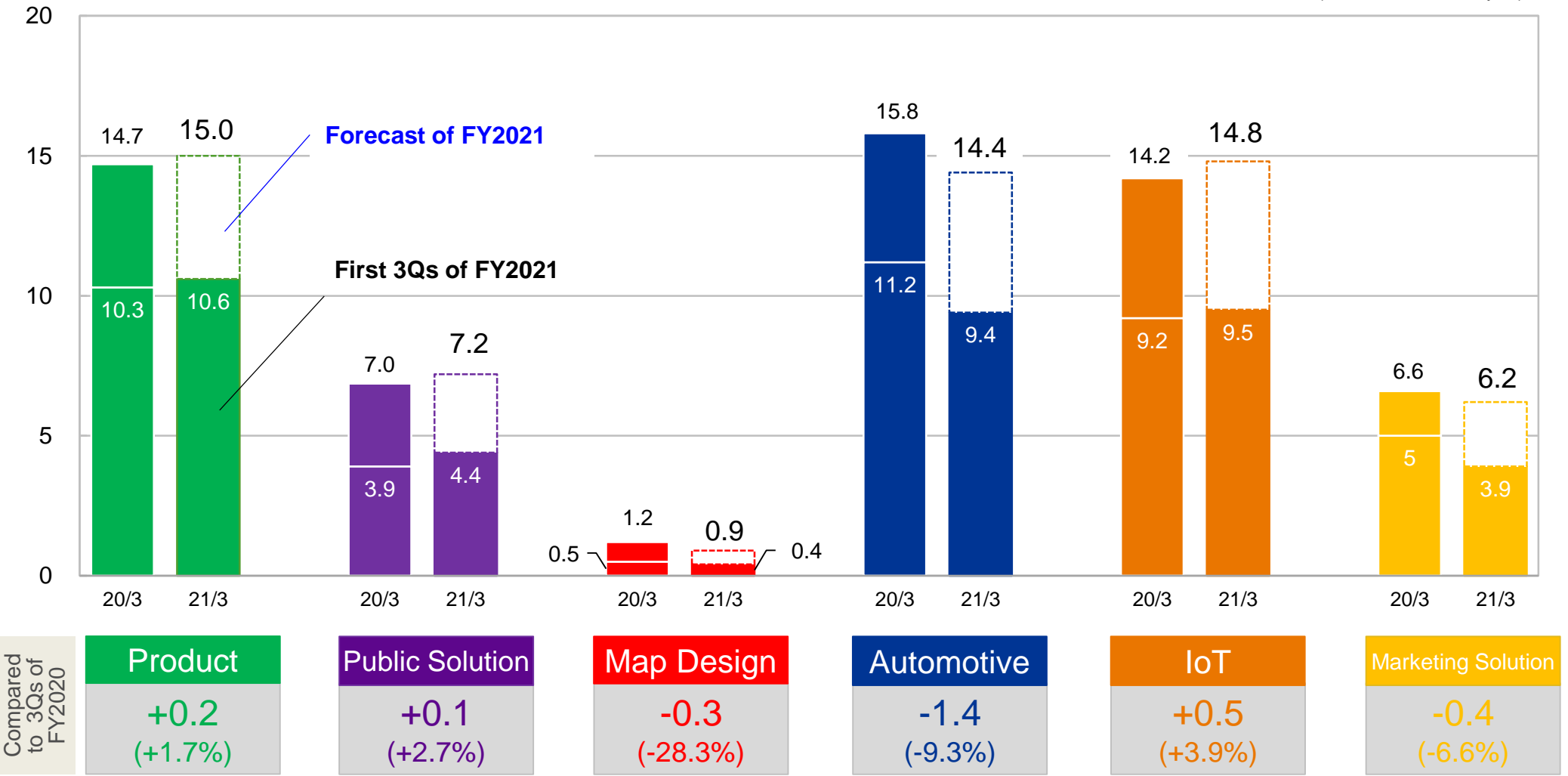
Current situation and possible risks

business	Status up to Q3	Possible risks in the future
Product/Public Solution	Progress as planned	Sales ratio is usually highest in Q4. Slowdown in growth of new contracts, decrease in flow-type products
Map Design	Tourism-related businesses continue to shrink	Continued decline in tourism-related businesses
Automotive	The car navigation market has been recovering since the latter half of Q2. Contracted projects decreased	Impact of the re-issuance of the declaration of a state of emergency and production cutbacks due to semiconductor shortages. Decrease or postponement of contracted projects compared to plan
IoT	Delays in acquiring new projects due to restrictions on business activities	Decrease in the number and scale of contracts due to constraints on activities, changes in plans by customers, etc.
Marketing Solution	Business partners continue to scale back their advertising activities	Continued decline in advertising orders, delay in sales expansion of new services

2-2) Net Sales by Business under ZGP25

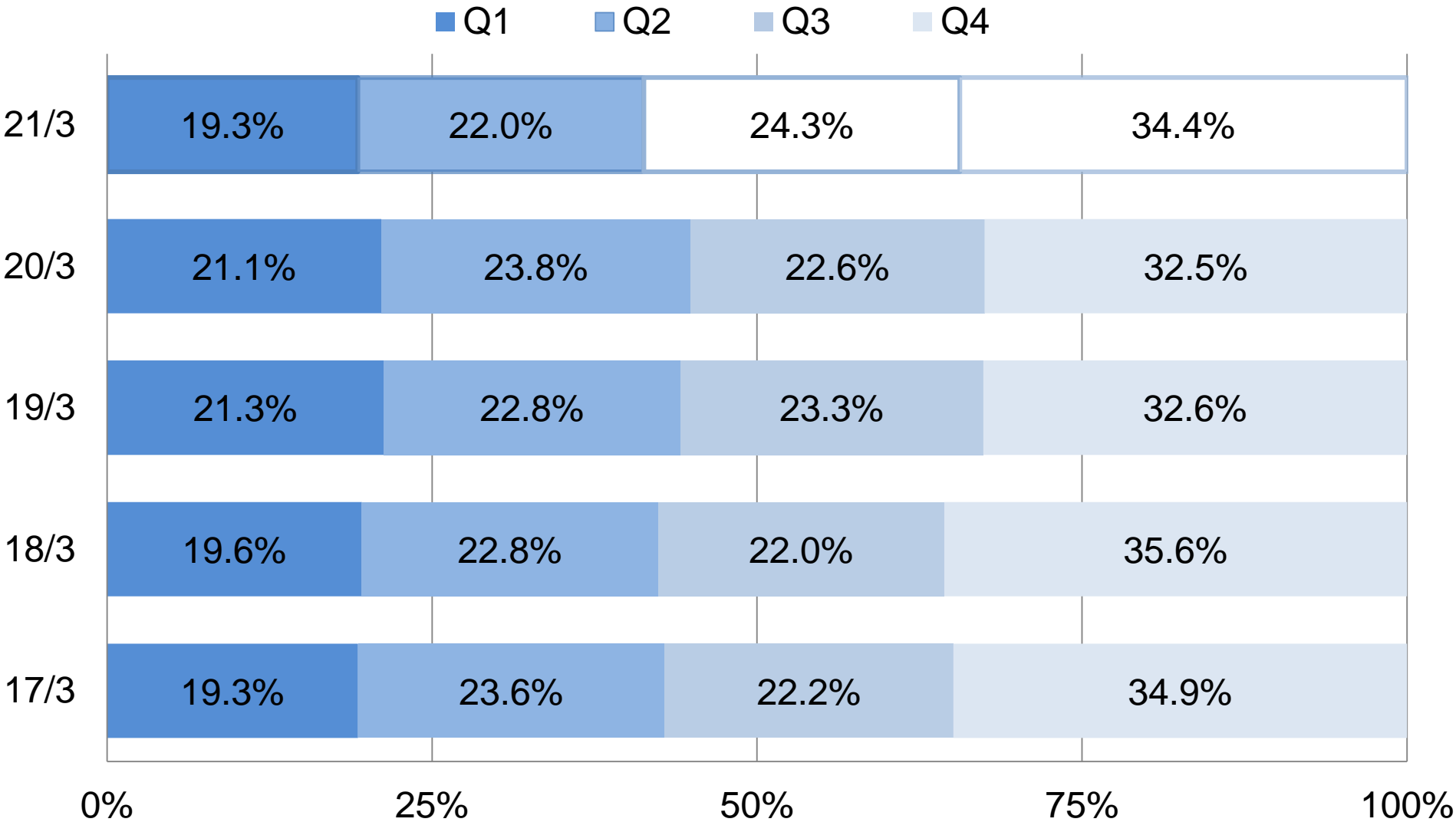
Results for First 3 Quarters of Fiscal 2021

(Amounts in billion yen)



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

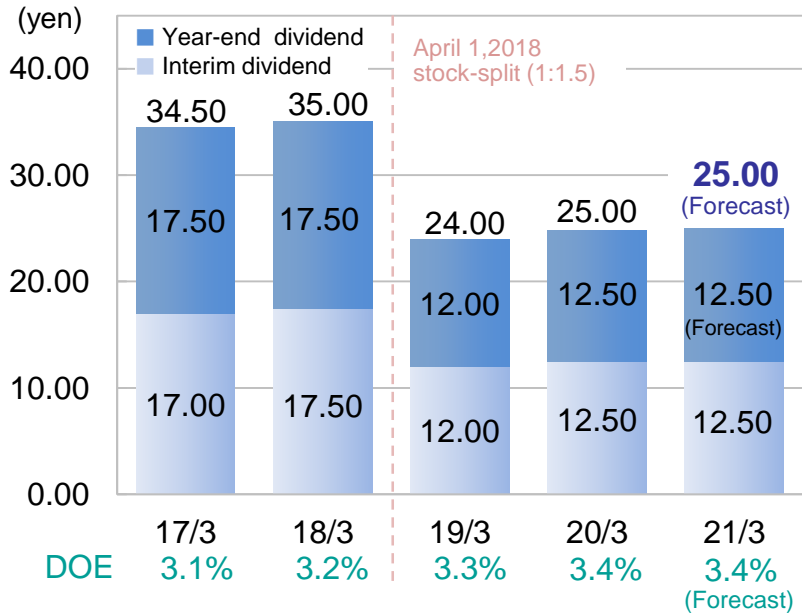
Results for First 3 Quarters of Fiscal 2021



2-4) Shareholder Returns

Dividend	<p>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</p> <p>→ Target dividend on equity (DOE) on a consolidated basis of 3% or higher</p>
Purchase of treasury shares	<p>To be carried out flexibly as a measure of shareholder returns that also contributes to the maintenance and improvement of capital efficiency</p> <p>→ Make a decision by taking into account capital conditions, stock prices, market environments, and opportunities for growth investments and other related factors</p>

【 Dividends ~maintain DOE of 3% or higher~ 】



【 Purchase of treasury shares 】

Details of the resolution at the board meeting on April 28, 2020	
Period of purchase	May 1, 2020 - April 30, 2021
Number of shares purchased	Up to 2,000,000 shares
Purchase price	Up to 3,000,000,000 yen
Progress (% = progress rate)	
Period of purchase	May 1, 2020 - December 31, 2020
Number of shares purchased	1,457,900 shares (72.90%)
Purchase price	1,830,032,200 yen (61.00%)

3. Appendix

- 1) Overview of Results for First 3 Quarters of Fiscal 2021
 - Amount of Capital Investment, Depreciation and R&D Costs
- 2) Overview of Earnings Forecast for Fiscal 2021
 - Changes in Net Sales, Income and Profit
 - Amount of Capital Investment, Depreciation and R&D Costs
- 3) Medium- to Long-Term Business Plan ZGP25
 - Numerical Targets
 - Numerical Targets (Net Sales by Business)

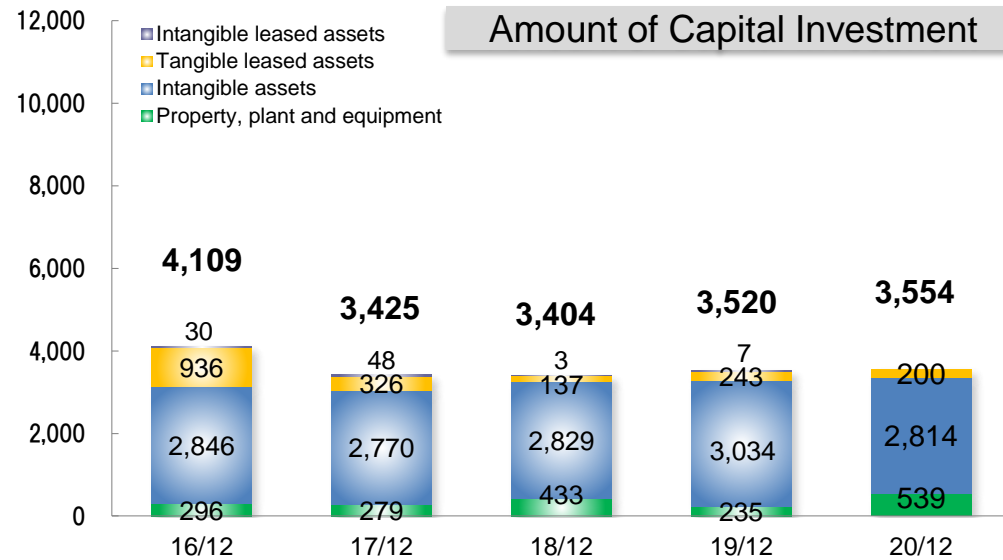
Overview of Results for First 3 Quarters of Fiscal 2021

3-1) Amount of Capital Investment, Depreciation and R&D Costs

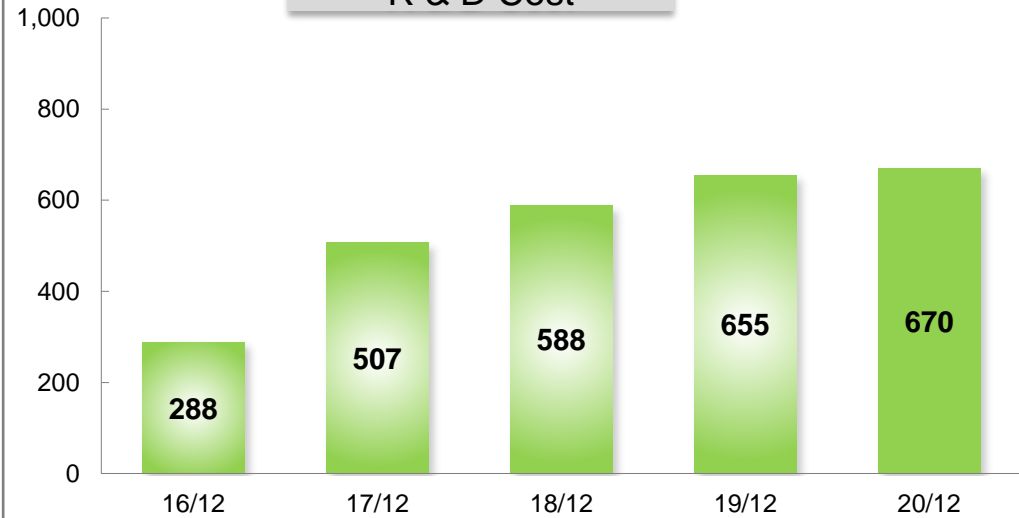
Results for First 3 Quarters of Fiscal 2021

(Amounts in million yen)

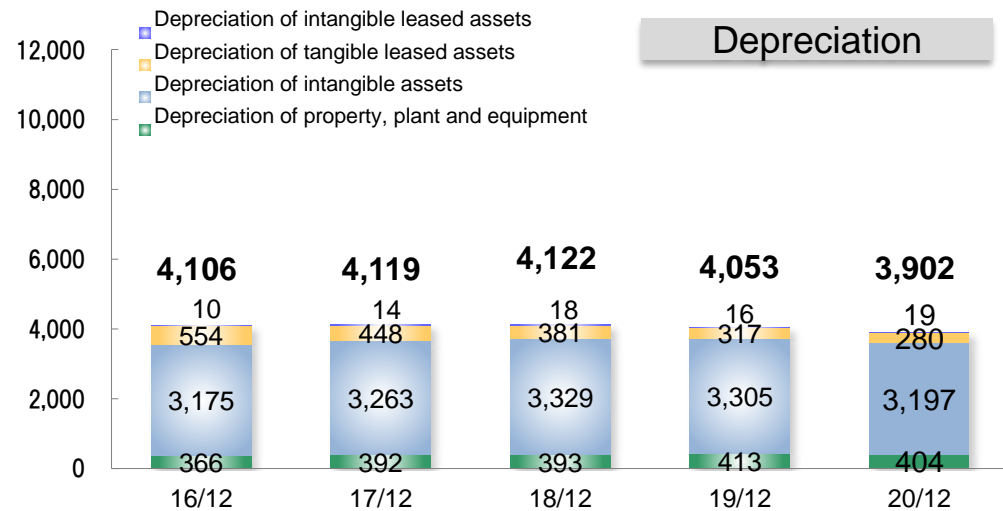
Amount of Capital Investment



R & D Cost



Depreciation

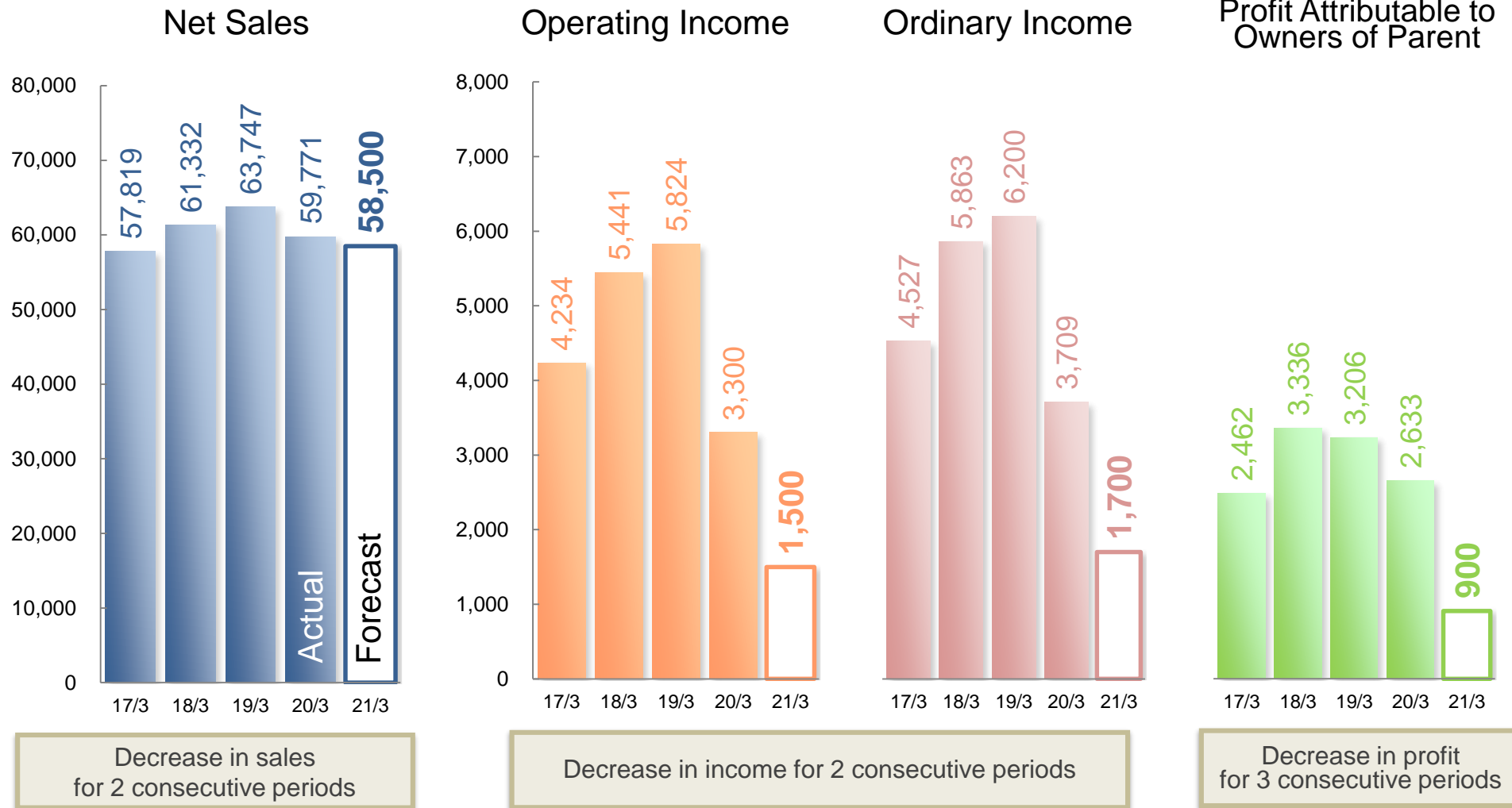


Overview of Earnings Forecast for Fiscal 2021

3-2) Changes in Net Sales, Income and Profit

Results for First 3 Quarters of Fiscal 2021

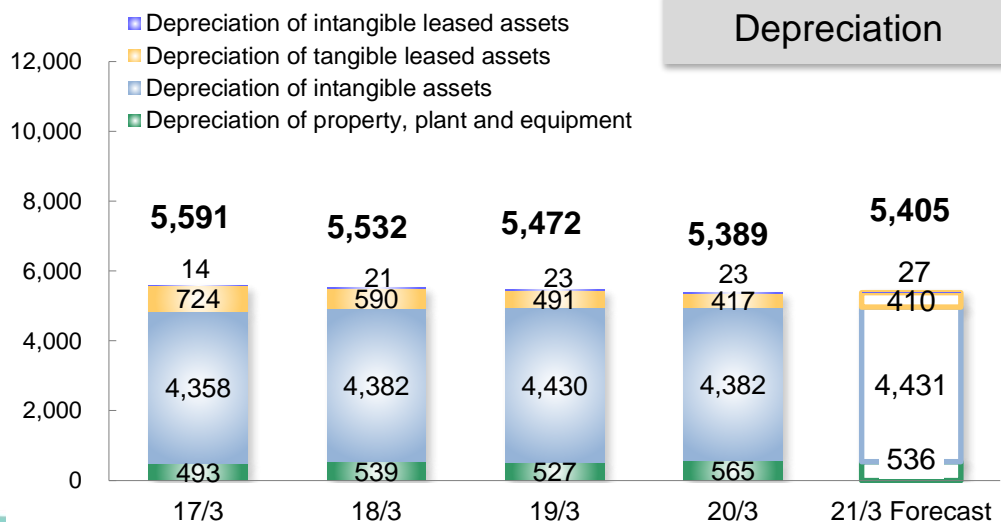
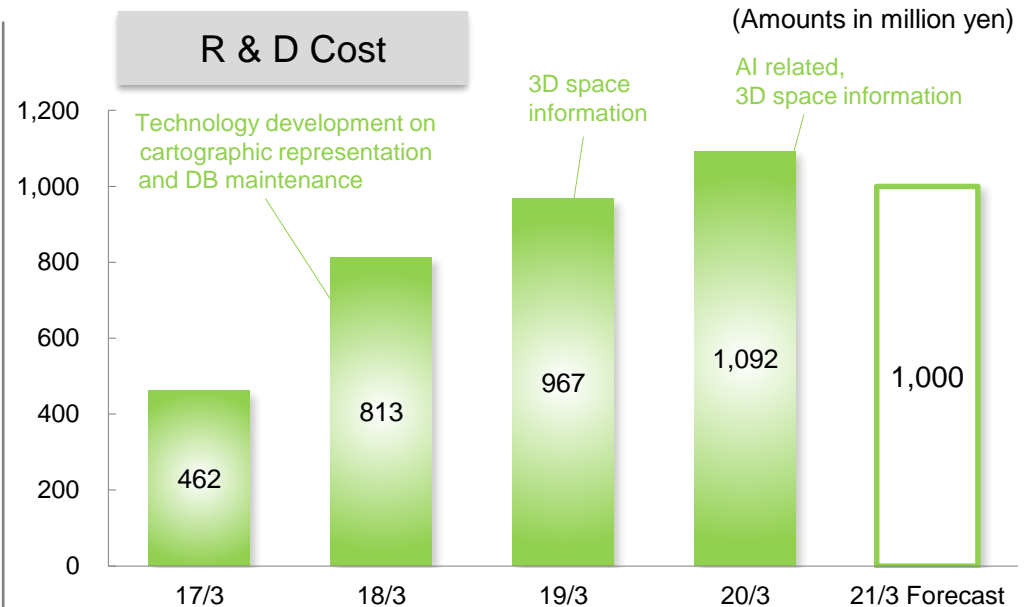
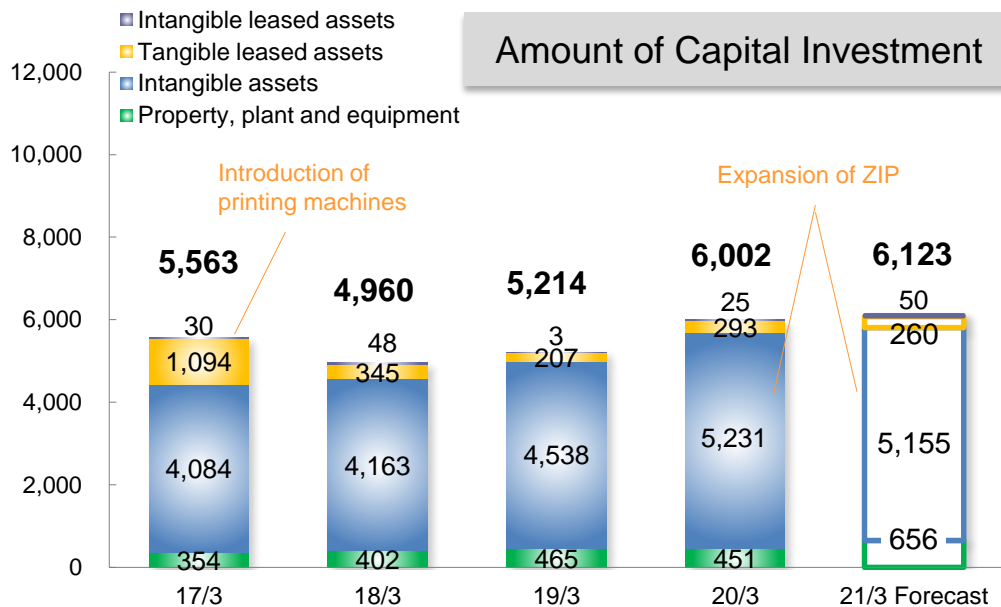
(Amounts in million yen)



Overview of Earnings Forecast for Fiscal 2021

3-2) Amount of Capital Investment, Depreciation and R&D Costs

Results for First 3 Quarters of Fiscal 2021



The target and guide of ZGP25 1st and 2nd stages for the final year of the plan will remain unchanged from the value disclosed in April 2019

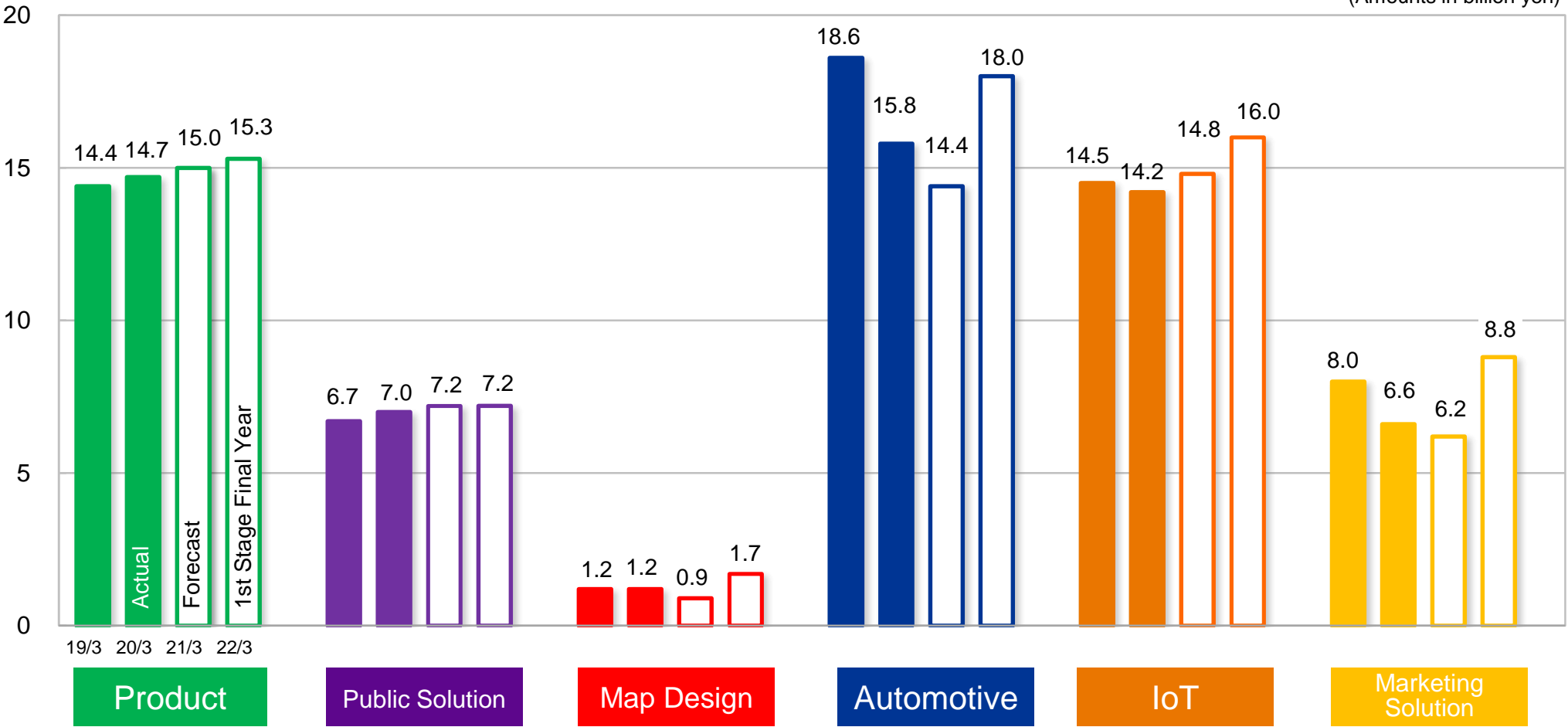
	1st Stage			2nd Stage
	1st Year	2nd Year	3rd Year	6th Year
	FY2020 (Actual)	FY2021 (Forecast)	FY2022 (Target)	FY2025 (Guide)
Consolidated Net Sales	59.7 bn yen	58.5 bn yen	67.0 bn yen	80.0 bn yen
Consolidated Operating Income (Margin)	3.3 bn yen (5.5%)	1.5 bn yen (2.6%)	6.7 bn yen (10.0%)	10.0 bn yen (12.5%)
ROE (Return on equity)	6.6%	2.2%	9.7%	10% or higher
DOE (Dividend on equity on a consolidated bases)	3.4%	3.4%	3.0% or higher	3% or higher

3-3) ZGP25 Numerical Targets (Net Sales by Business)

Results for First 3 Quarters of Fiscal 2021

The target and guide of ZGP25 1st and 2nd stages for the final year of the plan will remain unchanged from the value disclosed in April 2019

(Amounts in billion yen)



ZENRIN

Maps to the Future

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