

Briefing on Results for Fiscal 2022

(Year Ended March 31, 2022)

May 18, 2022

1. Overview of the Results for Fiscal 2022
2. Rolling Plan for Medium- to Long-Term Business Plan
“ZENRIN GROWTH PLAN 2025”
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 is negative are shown as “-”.

1. Overview of the Results for Fiscal 2022

- 1) Overview of the Results
- 2) Changes in Net Sales, Income and Profit
- 3) Causes for Change in Operating Income
- 4) Net Sales by Business
- 5) Changes in Cash Flows
- 6) Shareholder returns (Dividend, Purchase of Treasury Shares)

1-1) Overview of the Results for Fiscal 2022

Key Points **【increase in sales and profit】** (Compared to Fiscal 2021)

- Despite a partial decline in net sales due to the application of the Accounting Standard for Revenue Recognition,
 - ✓ sales increased in the Automotive Business, due to the strong sales of vehicles equipped with the Company's in-car navigation map data
 - ✓ contracted services for corporations using residential map data and the stock-type service, "GIS package," performed well
 - ✓ sales in the Marketing Solutions Business also increased on the back of a recovery in advertising demand
- In terms of profit and loss, despite increases in personnel and other expenses, operating profit increased due to the increase in net sales. Profit attributable to owners of parent also increased, due to the recognition of a gain on sale of investment securities under extraordinary income as a result of a partial sale of shares of an affiliated company.

(Amounts in million yen)

	FY2020 Actual	FY2021 Actual	FY2022 Forecast (Apr. 28 2021)	FY2022 Revised Forecast (Dec.17 2021)	FY2022 Actual	Compared to FY2020		Compared to FY2021		Compared to Revised Forecast (Dec.17 2021)	
							% of Change		% of Change		% of divergence
Net Sales	59,771	57,225	58,200	58,200	59,053	-717	-1.2	1,827	3.2	853	1.5
Operating Expenses	56,470	55,789	56,500	55,900	56,382	-87	-0.2	593	1.1	482	0.9
Operating Profit	3,300	1,436	1,700	2,300	2,670	-630	-19.1	1,233	85.9	370	16.1
Operating Margin	5.5%	2.5%	2.9%	4.0%	4.5%	-1.0pt		2.0pt		0.5pt	
Ordinary Profit	3,709	1,683	1,900	2,500	3,044	-664	-17.9	1,360	80.8	544	21.8
Profit Attributable to Owners of Parent	2,633	1,248	1,300	3,400	3,658	1,025	38.9	2,409	192.9	258	7.6

*the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the first quarter of fiscal 2022. As a result, net sales for fiscal 2022 decreased by 1,041 million yen, and cost of sales decreased by 1,036 million yen as compared to the previous accounting method. The impacts on operating profit, ordinary profit and profit before income taxes were minor.

*Regarding figures for the previous fiscal year (fiscal 2021) and earlier, the increase (decrease) are reference values because the Accounting Standard for Revenue Recognition, etc. are not applied retrospectively (same as the next page and after).

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

(Amounts in million yen)

Net Sales

Operating Income

Ordinary Income

Profit Attributable to Owners of Parent

Compared to FY2021

Up 1,827 (+3.2%)

Up 1,233 (+85.9%)

Up 1,360 (+80.8%)

Up 2,409 (+192.9%)

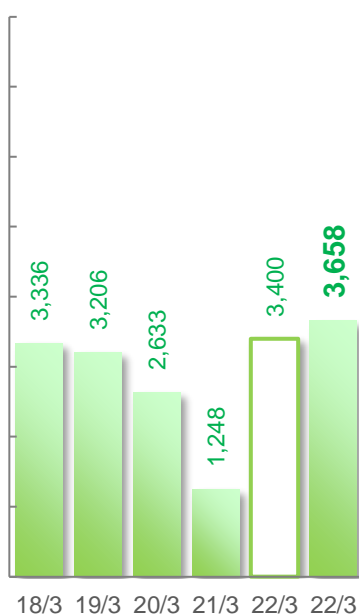
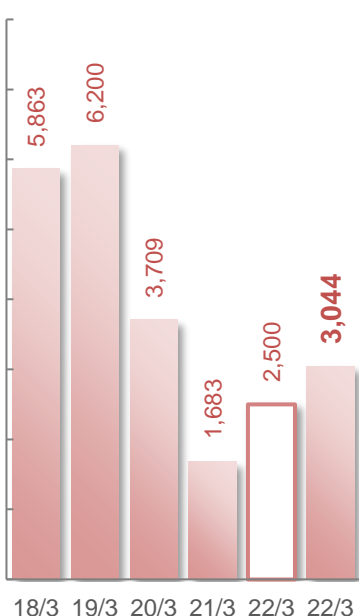
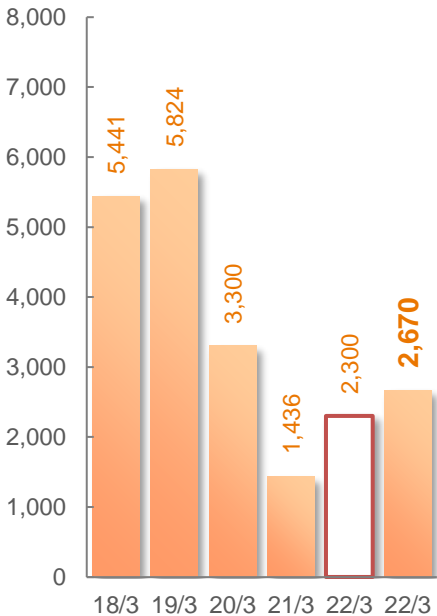
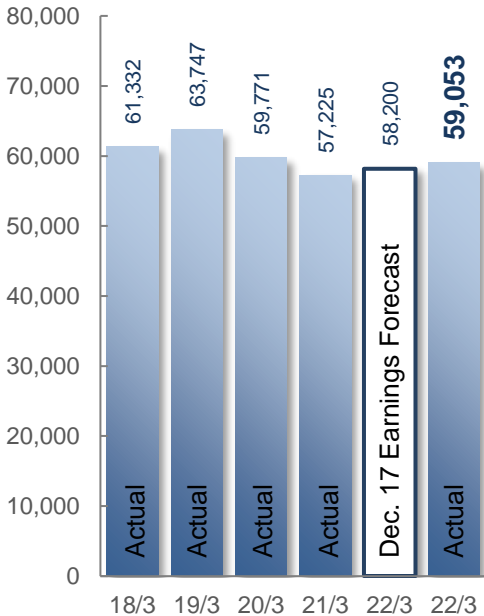
Compared to Forecast (Dec.17)

Up 853 (+1.5%)

Up 370 (+16.1%)

Up 544 (+21.8%)

Up 258 (+7.6%)



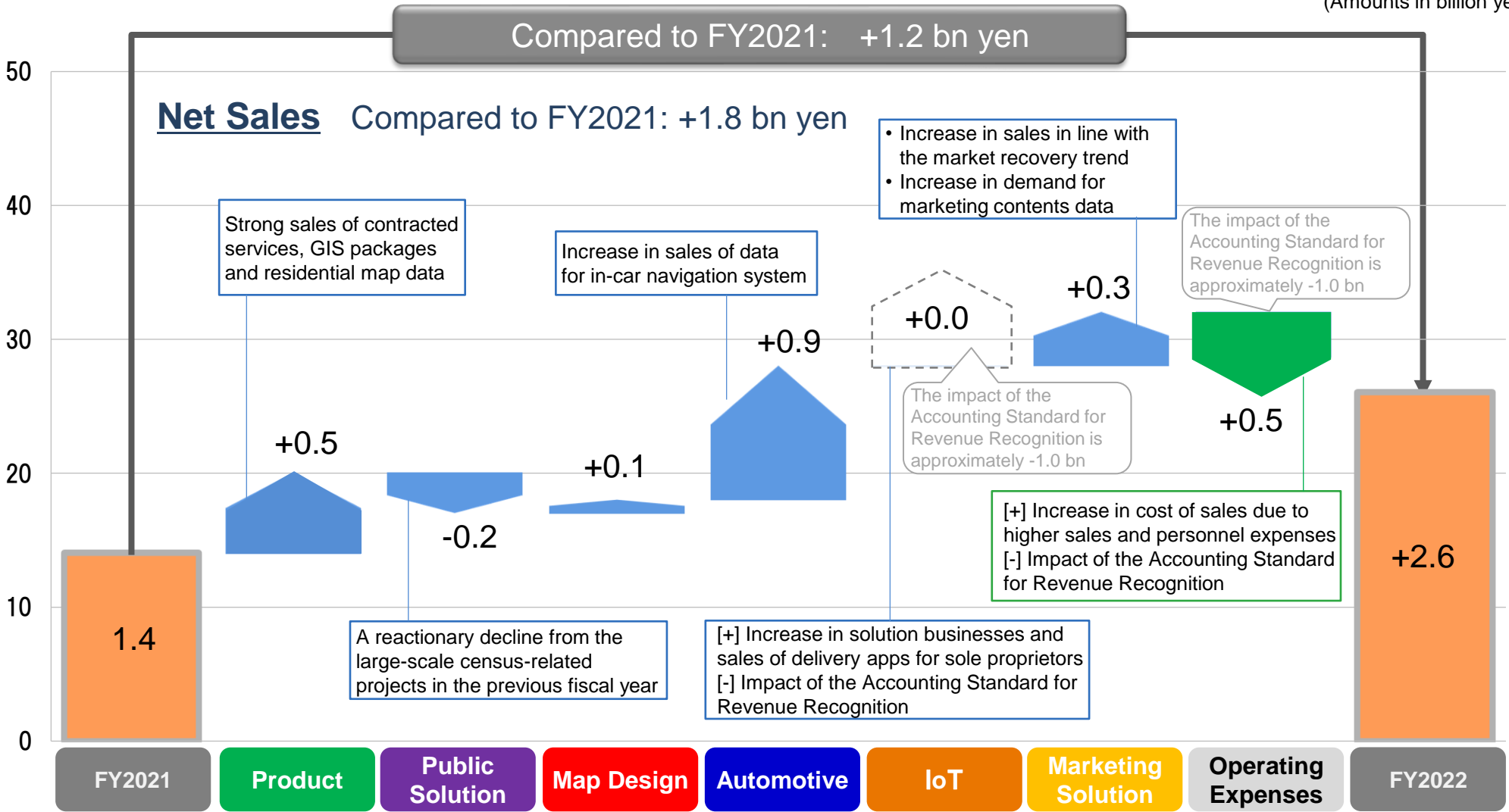
Increase in sales for the first time in three periods

Increase in income for the first time in three periods

Increase in income for the first time in four periods

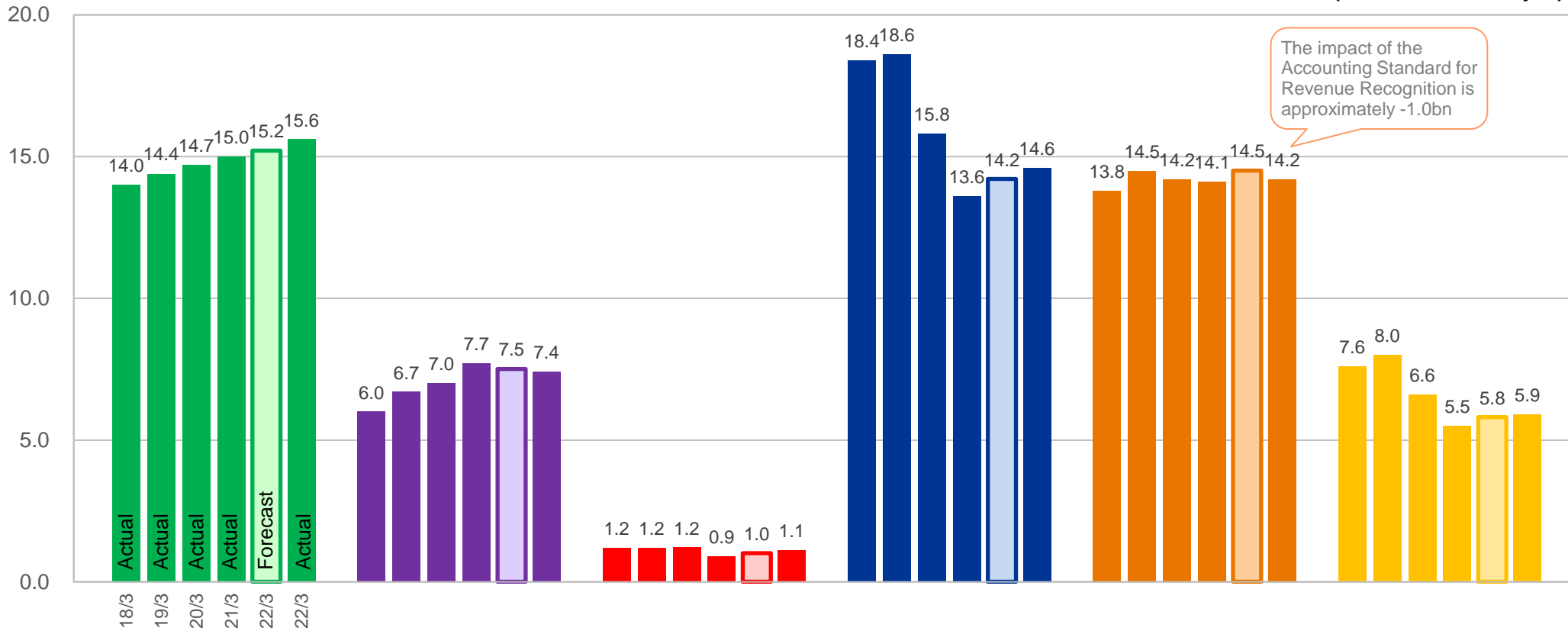
1-3) Causes for Change in Operating Income

(Amounts in billion yen)



1-4) Net Sales by Business

(Amounts in billion yen)



The impact of the Accounting Standard for Revenue Recognition is approximately -1.0bn

Compared to FY2021 actual

Product
+0.5
(+3.9%)

Public Solution
-0.2
(-3.7%)

Map Design
+0.1
(+11.4%)

Automotive
+0.9
(+7.2%)

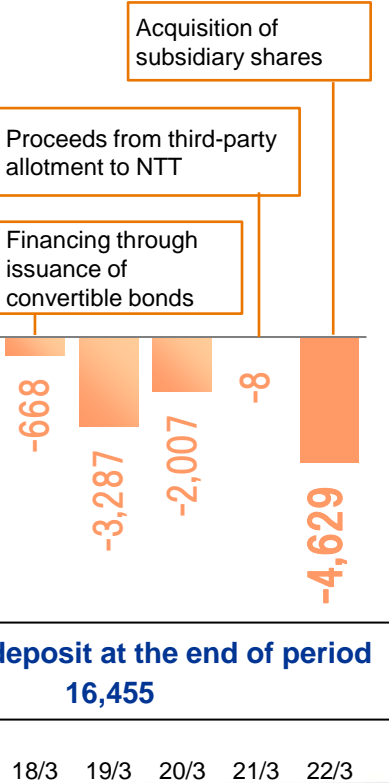
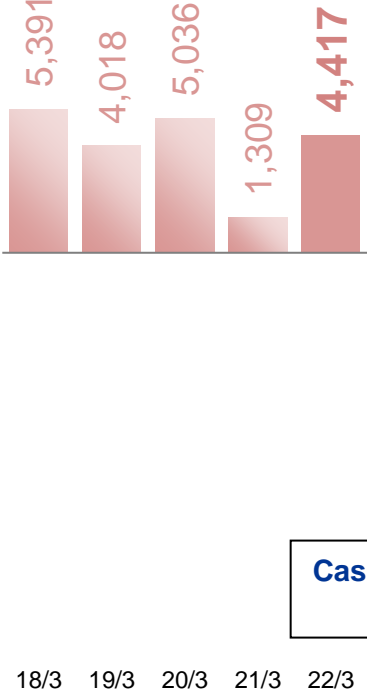
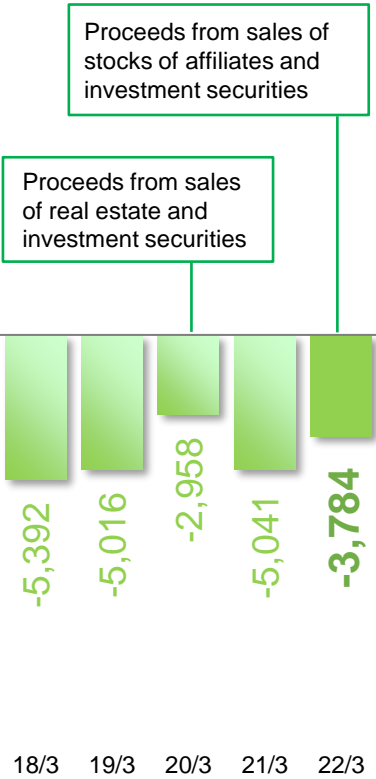
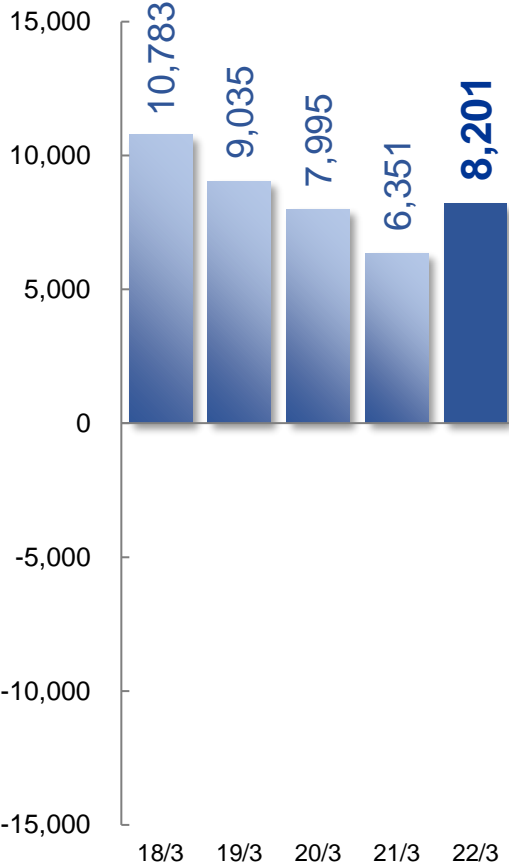
IoT
+0.0
(+0.2%)

Marketing Solution
+0.3
(+7.0%)

1-5) Changes in Cash Flows

(Amounts in million yen)

	Operating Cash Flows	Investing Cash Flows	Free Cash Flows	Financing Cash Flows
Compared to	8,201	-3,784	4,417	-4,629
FY2021	Inflows up 1,850	Outflows down 1,257	Inflows up 3,107	Outflows up 4,620



Cash and deposit at the end of period
16,455

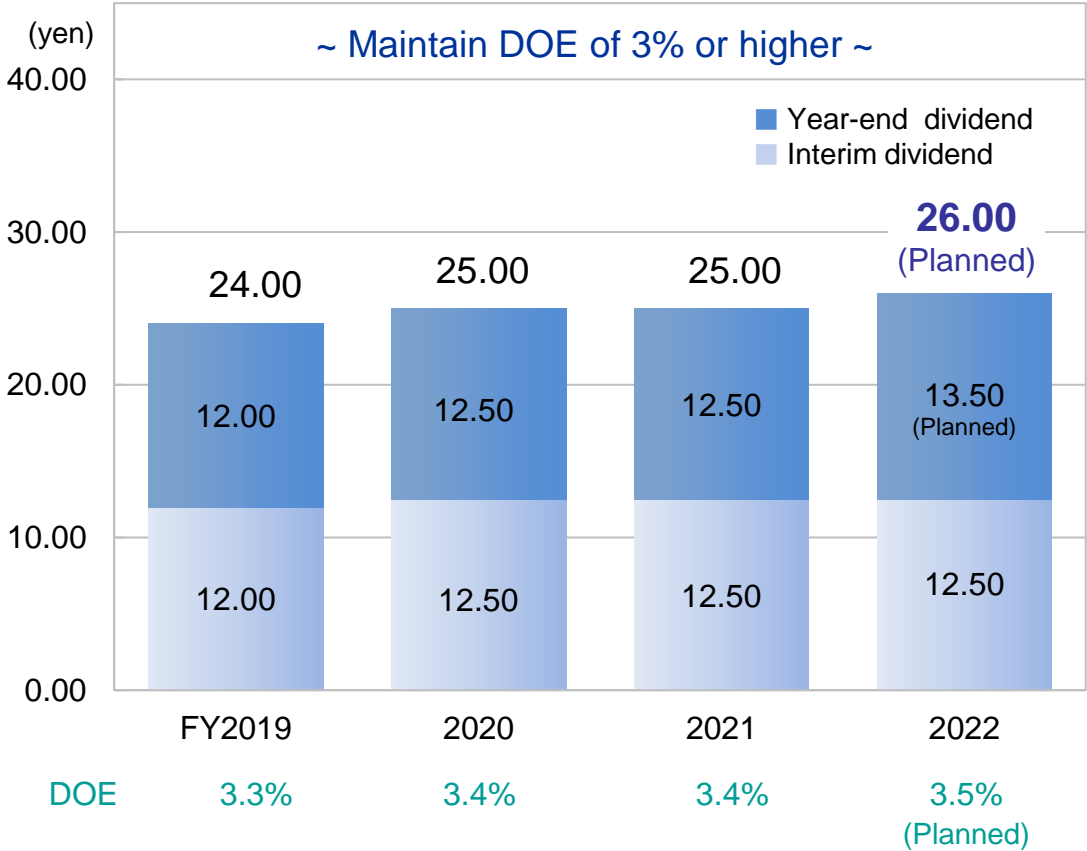
1-6) Shareholder returns (Dividend)

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

FY2022 Dividend	
Interim	12.50 yen
Year-end	13.50 yen (Planned)
Annual	26.00 yen (Planned)



1-6) Shareholder returns (Purchase of Treasury Shares)

Briefing on Results for FY2022

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

Details of the resolution at the Board meeting on April 28, 2021		Results	
Period of Purchase	From May 6, 2021 to March 31, 2022	From May 6, 2021 to March 31, 2022	
Number of Shares To be purchased	Up to 1 million shares	703,000 shares	(70.30%)
Purchase Price	Up to 1.5 billion yen	767,853,400 yen	(51.19%)

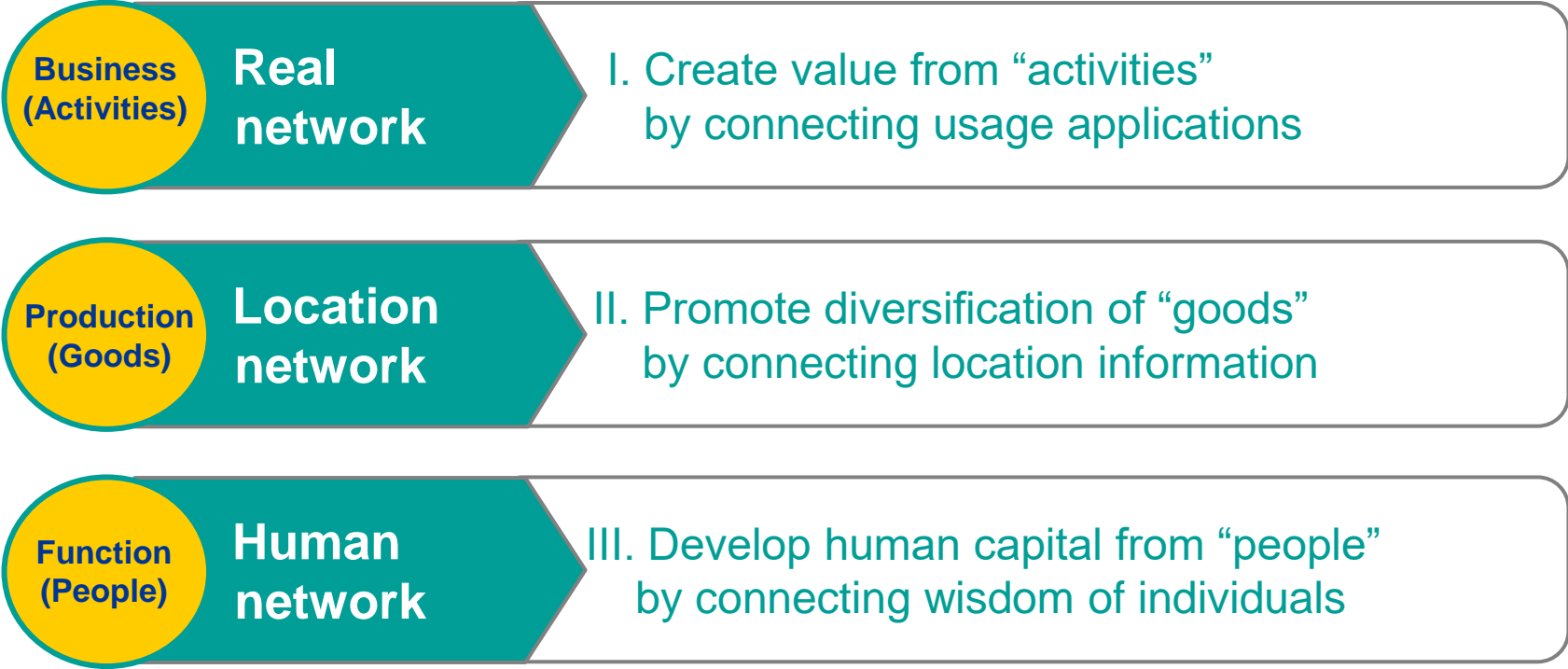
2. Rolling Plan for Medium- to Long-Term Business Plan “ZENRIN GROWTH PLAN 2025” (released on April 28, 2022)

- 1) Basic Policy of ZGP25
- 2) Scope and Structure of ZGP25 2nd Stage
- 3) Numerical Target
- 4) Business Plan
- 5) Net Sales target by Business
- 6) Initiatives by business
- 7) Business Topics

2-1) Basic Policy of ZGP25

Optimization of “quantity and quality” in network society

~ Create values through the optimization of location information and information in circulation ~



2-2) Scope and Structure of ZGP25 2nd Stage

1st Stage (3 terms)			2nd Stage (3 terms)		
FY2020	FY2021	FY2022	FY2023	FY2024	FY2025

Business model transformation period

Enhance values to customers and strengthen the earnings base through the selective use of business models

Embody the business model

Create values through the optimization of location information and information in circulation

Strengthen the business foundation

Building an information platform that can meet the diverse needs of society

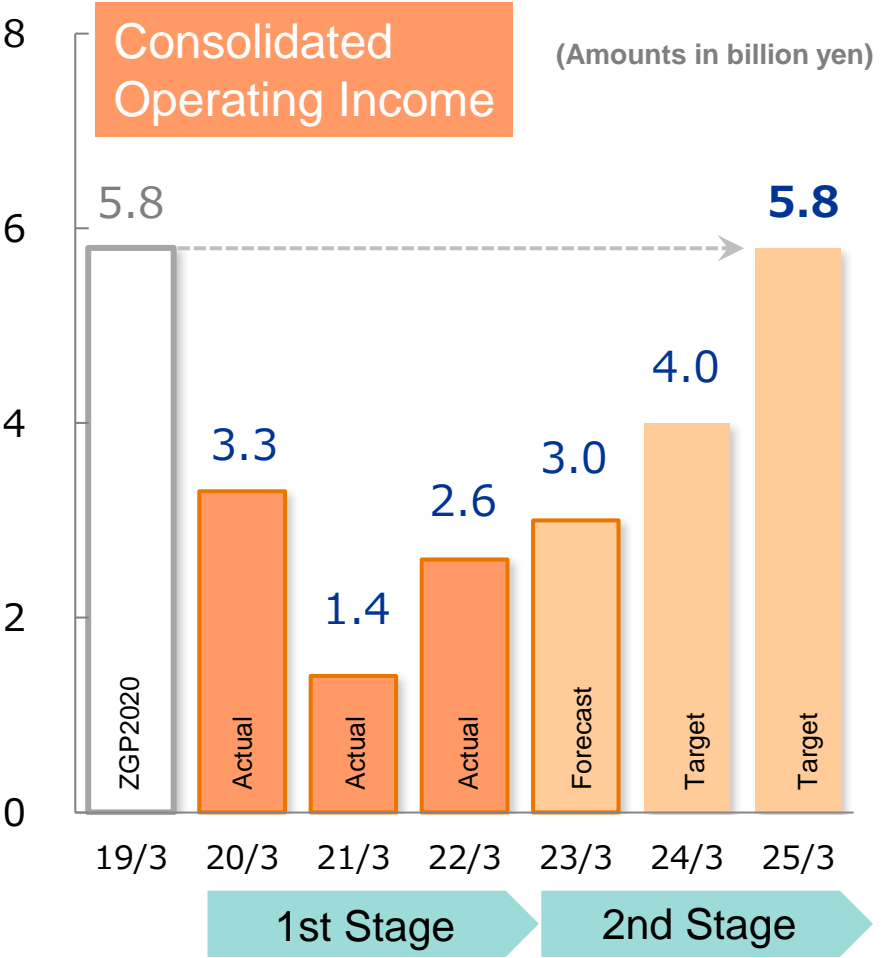
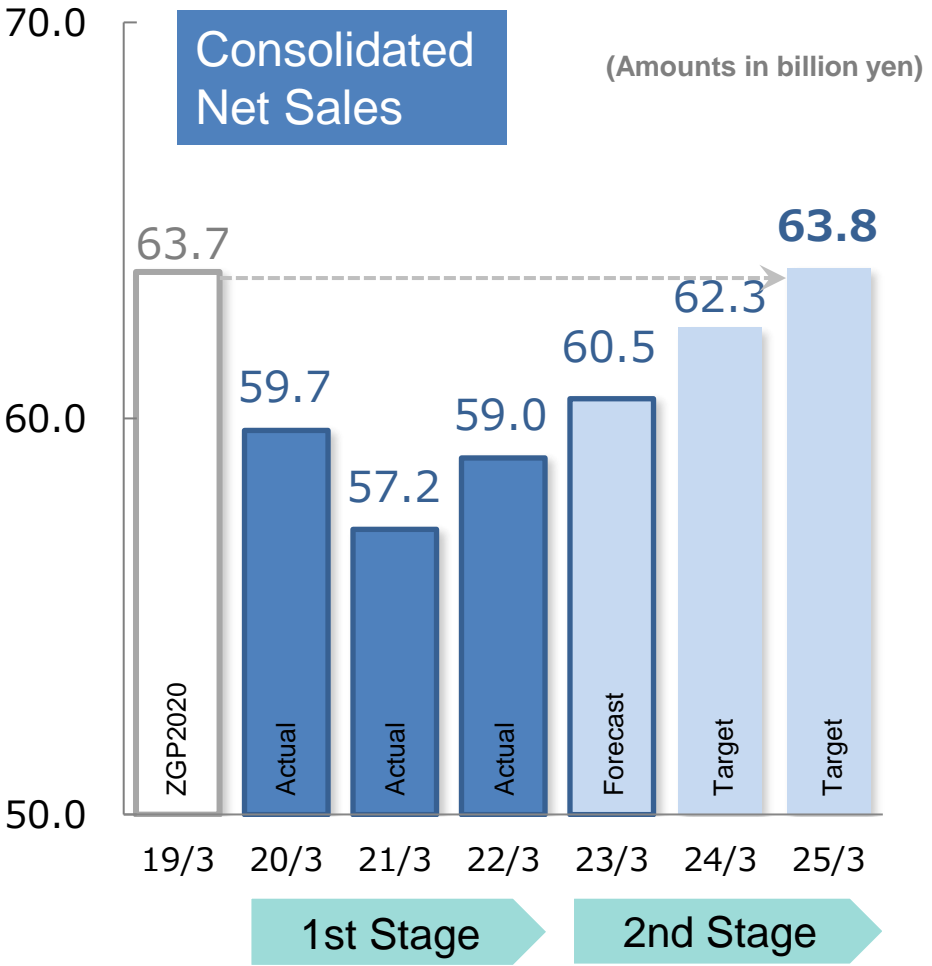
Strengthen the management base

Foster human capital who can respond to changes in the environment and build an organization for such purpose

2-3) Numerical Target

	2nd Stage		
	1st Year	2nd Year	3rd Year
	FY2023 (Forecast)	FY2024 (Target)	FY2025 (Target)
Consolidated Net Sales	60.5 bn yen	62.3 bn yen	63.8 bn yen
Consolidated Operating Income (Margin)	3.0 bn yen (5.0%)	4.0 bn yen (6.4%)	5.8 bn yen (9.1%)
ROE (Return on equity)	5.3%	5.1%	7.3%
DOE (Dividend on equity on a consolidated bases)	3% or higher	3% or higher	3% or higher

2-3) Numerical Target



2-4) Business Plan

Divide the business portfolio into 5 businesses

Product	Business that provide companies with products and services through development of applications
Public Solution	Business that provide government agencies with products and services through development of applications
Marketing Solution	Business that provides businesses with products and services to support area marketing and sales promotion activities
IoT	Business that provide solutions that help solve problems to local communities and companies
Automotive	Business that provides mobility-related spatial information and services to automobile-related companies

Contribution to solving social issues

- Create a safe and secure city
- Co-create advanced mobility society
- Construct industrial infrastructure
- Solve local community issues
- Promote education and culture
- Consider environment and resources

2-4) Business Plan

Product

Increase profits by expanding stock-type business and stabilizing flow-type business

Public Solution

Expand sales by converting from flow-type business to stock-type business and building up entrusted business solutions

Marketing Solution

Create a new market by solving sales promotion issues by utilizing map information technology

IoT

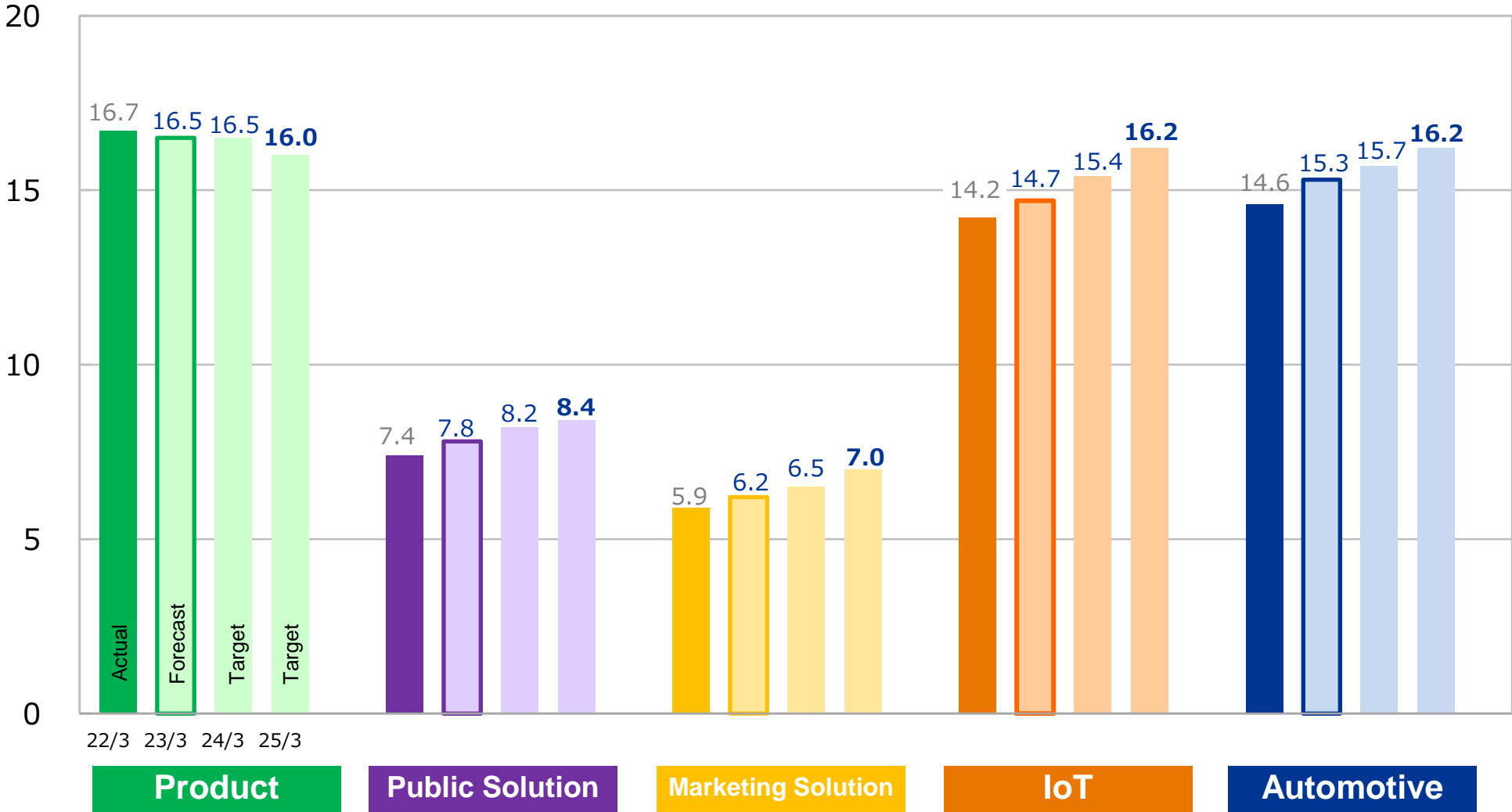
Plan solutions to support industry DX and strengthen alliance business

Automotive

Stabilize existing navigation business and establish smart mobility business

2-5) Net Sales target by Business

(Amounts in billion yen)



* Sales of the Map Design business for FY2022 are included in the Product business.

2-6) Initiatives by business

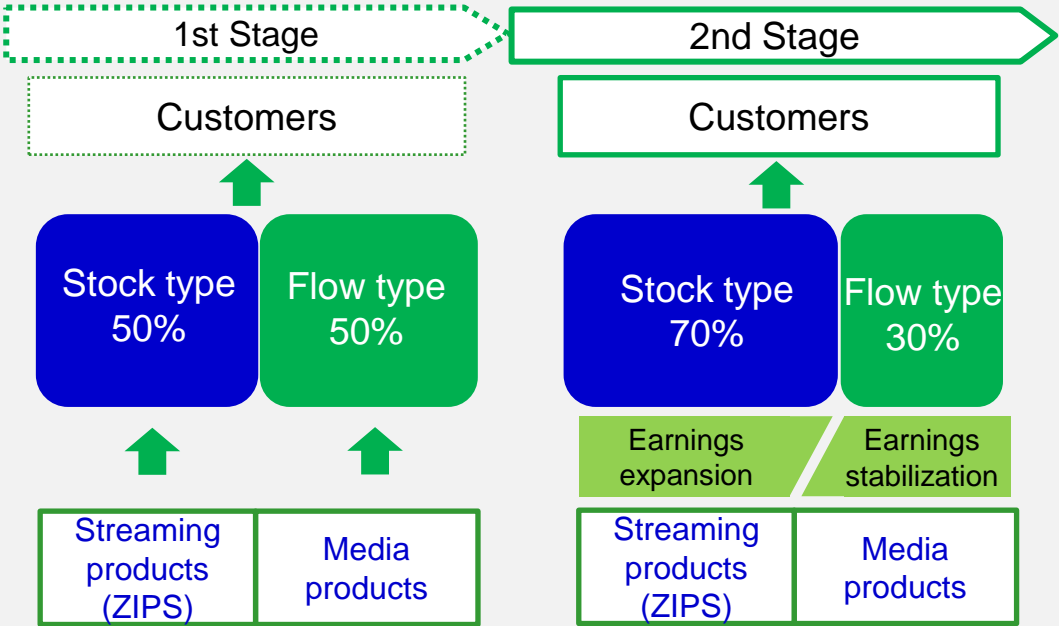
Product

Increase profits by expanding stock-type business and stabilizing flow-type business

ZGP25 2nd Stage

Expand stock-type business sales ratio to 70%

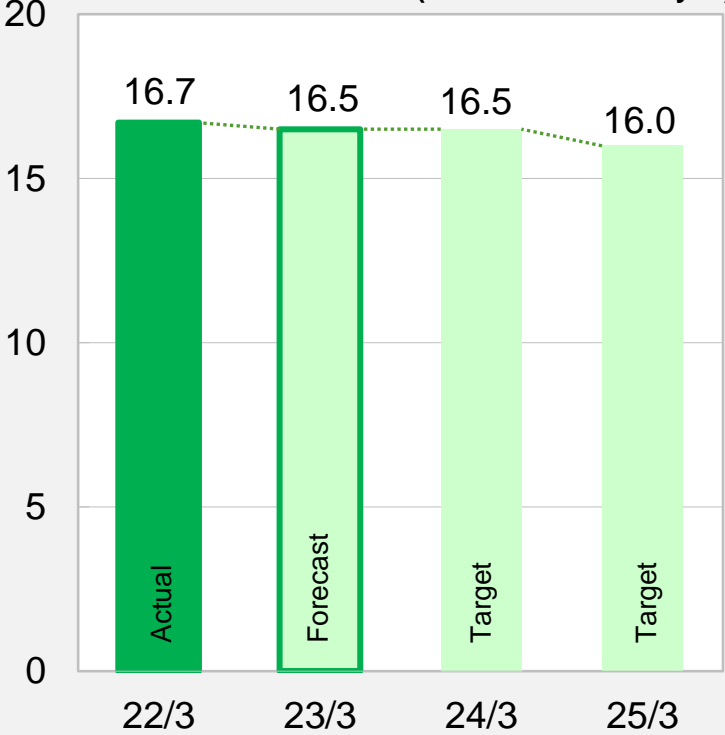
Target of ZGP25 2nd Stage



- Shift from a flow-type business to a stock-type business
- The portion of business converted into a solutions-type business anticipates the shift to the IoT Business (In the fiscal year ending March 31, 2025, there will be a greater shift to solutions)

Sales target

(Amounts in billion yen)



*FY2022 includes sales from the Map Design Business.

2-6) Initiatives by business

ZENRIN GIS Packages

Increase the new lineup of the GIS package for different industries and different services to meet the needs of companies to enhance the efficiency of business operations, in line with their accelerated DX (digital transformation).

<Monthly fee>
¥11,000
 or more

* Including tax, per prefecture, per ID



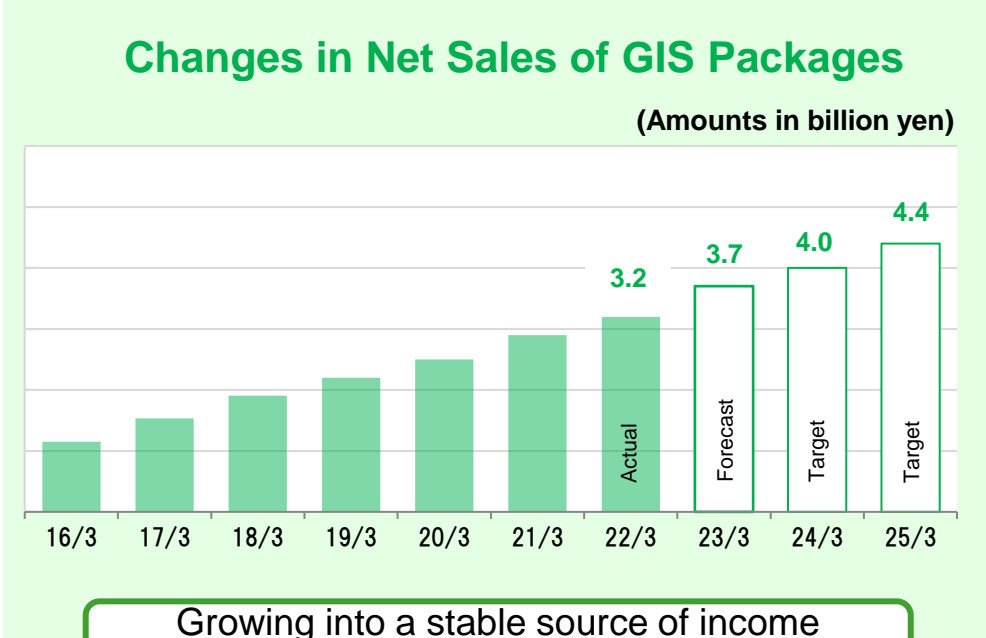
ZENRIN GIS Package allows the use of the latest map data necessary for work anytime, 24 hours a day. Cloud-based service eliminates the need for troublesome installation and configuration!

(Included contents of GIS Package Real Estate)
 Residential map, blue map, use map, public notices of land prices, land price survey, assessed value of land adjoining a major road for inheritance tax purposes, assessed value of land adjoining a major road for fixed asset tax purposes
 +
 (Functions)
 Search, measurement, drawing, printing, satellite image checking function, etc.

[ZENRIN GIS Package lineup]

(Monthly fee)

GIS Package Real Estate	Premium	Supports operations as a whole, ranging from information collection to marketing	¥22,000 or more
		Resolves the trouble involved in land research operations in various ways	¥11,000 or more
GIS Package Construction	for Design	Assists persons involved in construction business in preparing ledger sheets	¥11,000 or more
	for Execution		
GIS Package Real Estate Appraiser		Reduces burden of real estate appraisal and consulting operations	¥11,000 or more
GIS Package Tax Accountant		Resolves the trouble involved in inheritance tax return operations in various ways	



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

2-6) Initiatives by business

Public Solution

Expand net sales through the shift from the flow-type business to the stock-type business and the establishment of the contracted solutions business.

ZGP25 2nd Stage

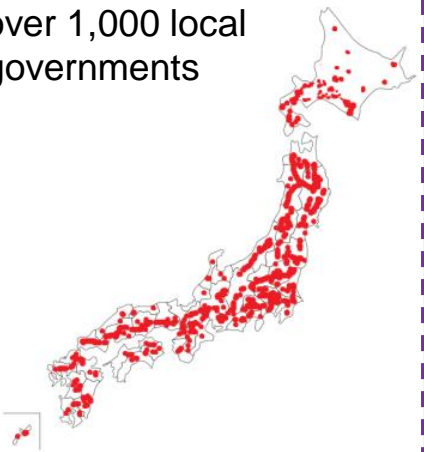
Establish a solutions business for developing new applications to support the DX of local governments.

Target of ZGP25 2nd Stage

1st Stage

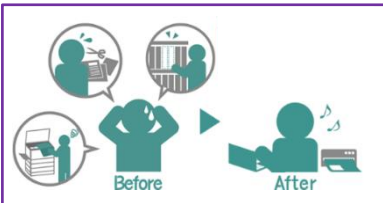
2nd Stage

Digital maps have been adopted by over 1,000 local governments



Support the DX of local governments

Establish an environment where maps are readily used in local government services

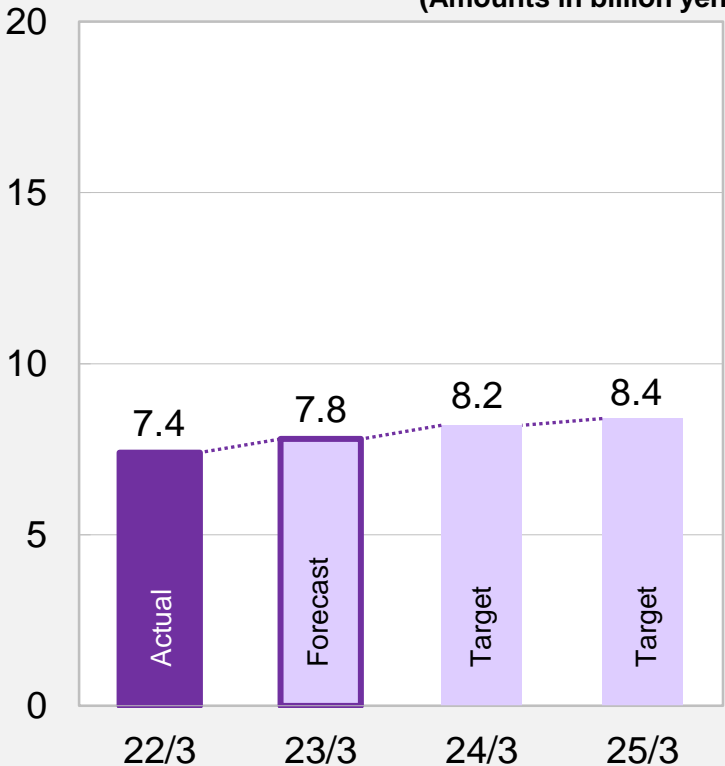


Provide solutions tailored to local governments by developing new applications



Sales target

(Amounts in billion yen)



2-6) Initiatives by business

Marketing Solution

Create a new marketing market through the utilization of map information technology.

ZGP25 2nd Stage

Expand earnings by solving sales promotion problems of regional SMEs and individual business owners.

Target of ZGP25 2nd Stage

1st Stage

2nd Stage

Development and release of new products



The launch of "Rakuraku Sales Promotion Map" in September 2020

Cloud-based package service in which customers can easily handle flyer creation to distribution by themselves.

Establishment of a business foundation



Establishment April 1, 2020



Strategies to capture 1 billion yen in new accounts

Support the sales promotion activities conducted by regional SMEs and individual business owners

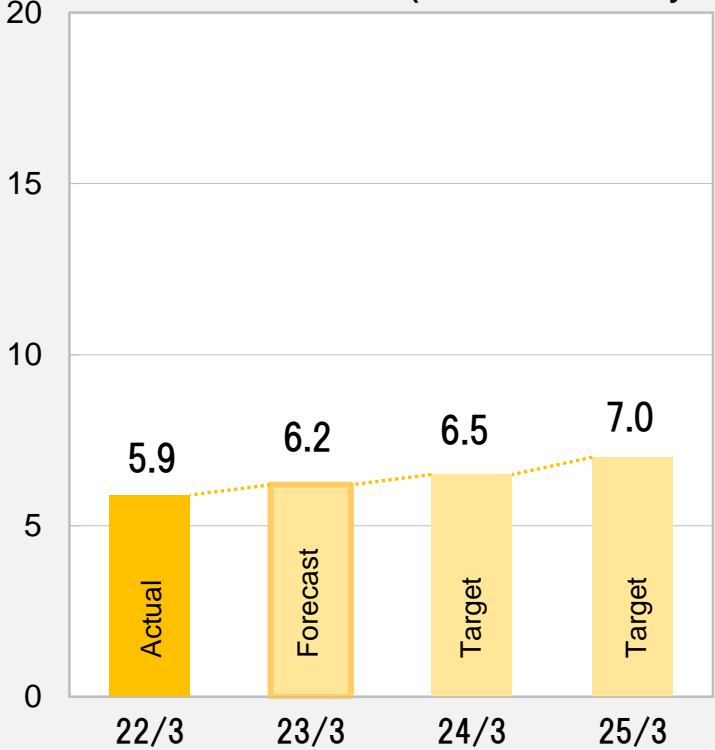
Propose end-to-end sales promotion services even to those who want to "entrust everything"



Provide sales promotion solutions from area analysis to the execution of sales promotions

Sales target

(Amounts in billion yen)



2-6) Initiatives by business

IoT

Strengthen the planning of location information solutions that support the DX of the industries and reinforce the alliance business.

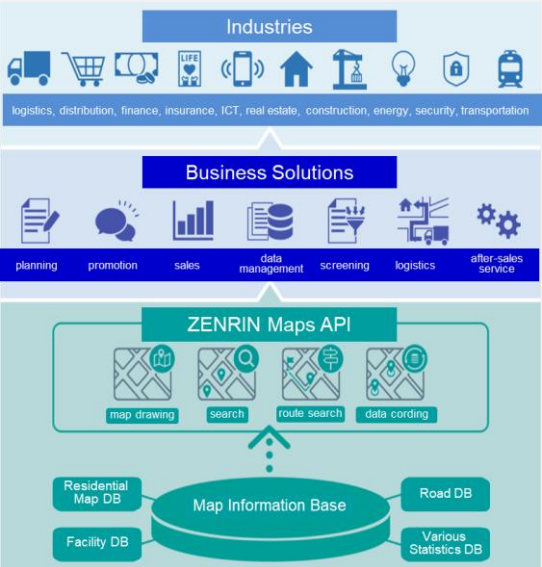
ZGP25 2nd Stage

Expand net sales by strengthening solutions for each industry utilizing "ZENRIN Maps API."

Target of ZGP25 2nd Stage

1st Stage

Establish an environment for providing solutions for each industry by launching "ZENRIN Maps API"



2nd Stage

Focus points

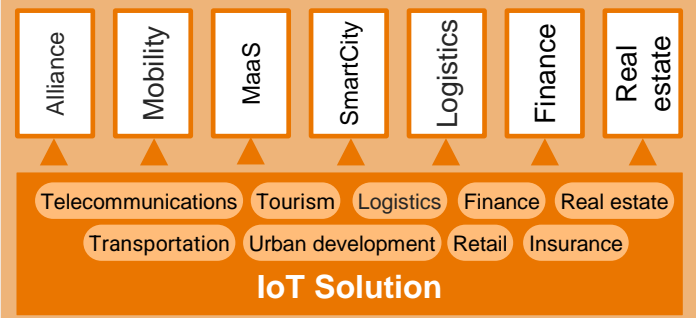
Expand the IoT Solutions Business to support the DX of industries such as real estate and finance

Expand services for the logistics industry

Strengthen collaborative businesses with major telecommunications carriers

Composition of the IoT Business

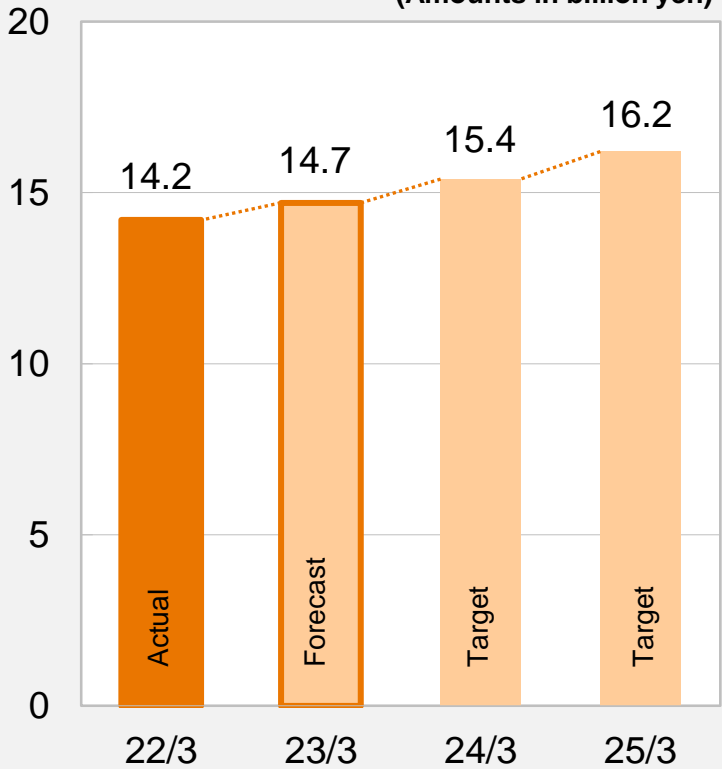
Strengthen the planning of solutions by service and by industry



*Anticipate the shift from the flow-type business (Product business) to the IoT Solutions Business by expanding the Solutions Business

Sales target

(Amounts in billion yen)



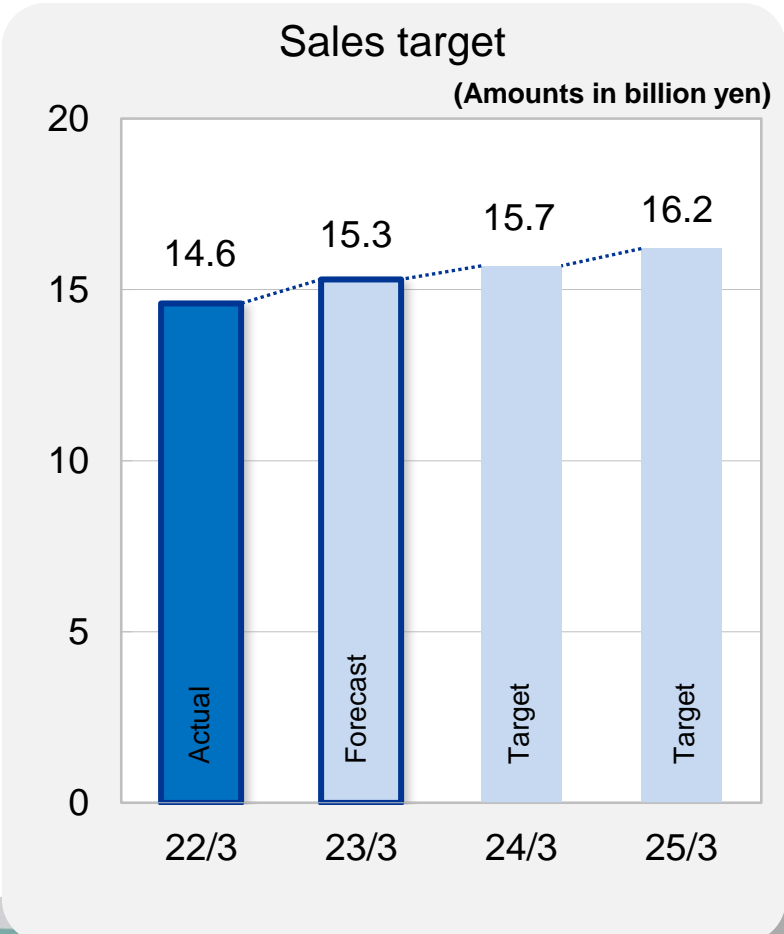
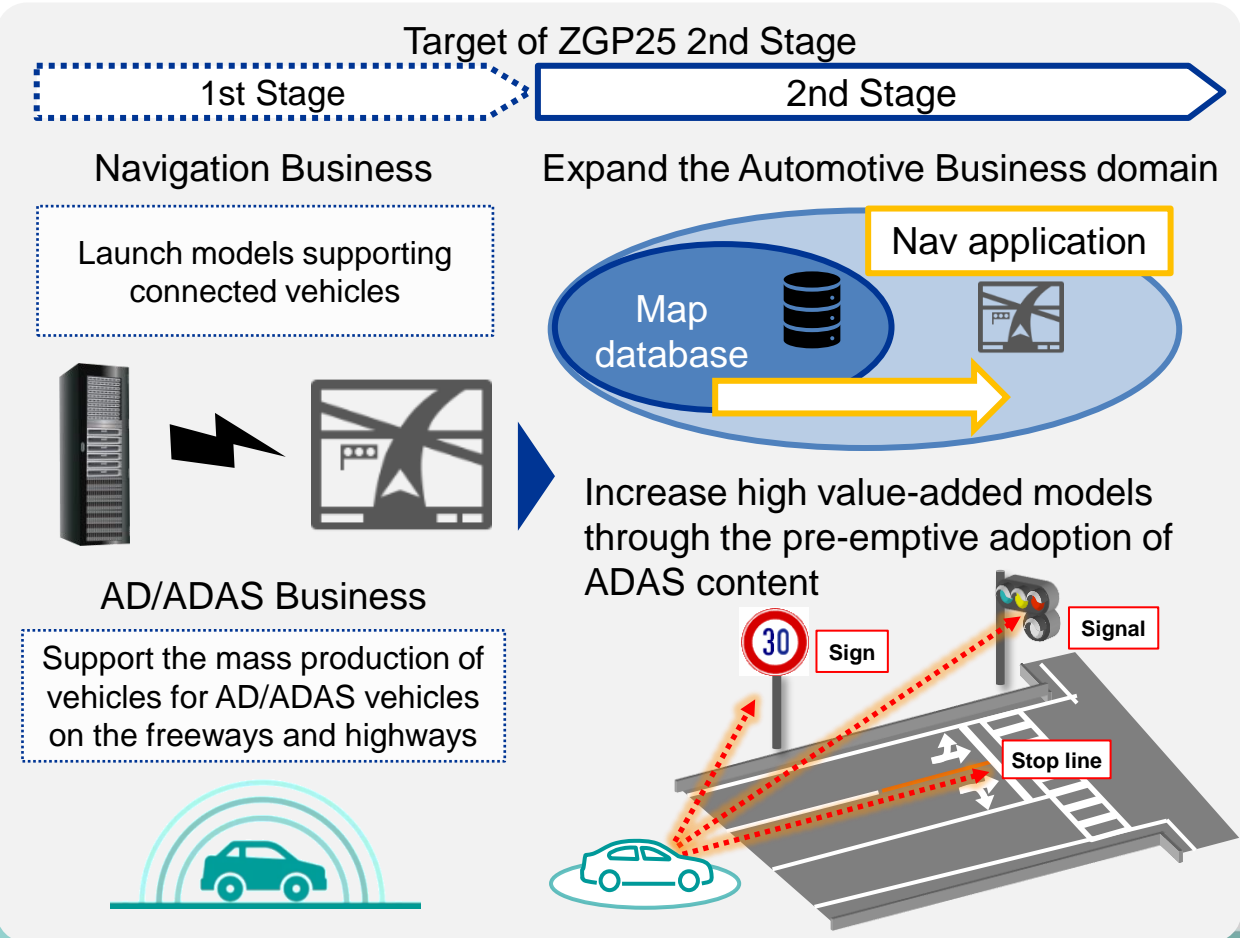
2-6) Initiatives by business

Automotive

Stabilize the Navigation Business and establish the Smart Mobility Business.

ZGP25 2nd Stage

Expand the business domain and achieve high added-value through ADAS content.



2-7) Business Topics

We began to offer the first tourism-type MaaS application “STLOCAL” in Nagasaki

March 16, 2022



We will aim to raise awareness of “People’s actions” and contribute to the revitalization of Nagasaki and the improvement of the tourism experience.



Offer narrative-type sightseeing routes for enjoying walks around the city on the portal site

Support movement through the MaaS function of purchasing transportation tickets and sightseeing tickets with a smartphone app

Bonus points awarded according to movement may be exchanged for souvenirs

“STLOCAL” certified as “Nagasaki Creation Project”

March 23, 2022



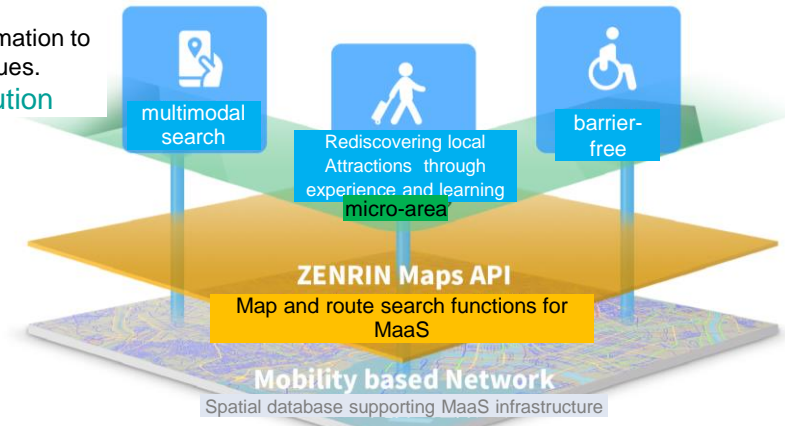
(right) Nagasaki Mayor : Taue
(Left) ZENRIN President CEO : Takayama

“Nagasaki Creation Project” certification system:
A system in which the business community, educational institutions, government agencies, the media, and others certify the “various leaders in city-building” who promote Nagasaki-wide initiatives to create Nagasaki with a sense of ownership

Initiatives for “ZENRIN’s micro-MaaS solutions”

We are working to offer “ZENRIN’s micro-MaaS solutions” that will contribute to the revitalization of the area by solving the various issues facing small areas (micro-areas) through the utilization of “movement information” and “map information.”

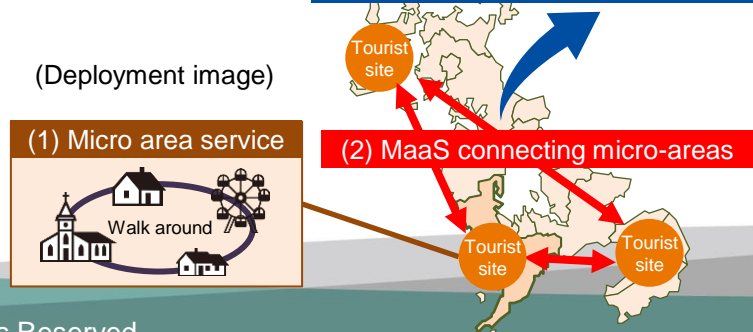
Provide spatial information to solve micro-area issues.
micro-MaaS Solution



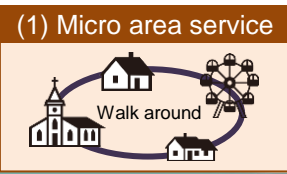
ZENRIN's "Mobility-based Network" makes mobility in all forms visible in a single space.

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).

(3) Expanding to other tourist sites in the prefecture



(Deployment image)



(2) MaaS connecting micro-areas

Establish and aim to monetize business models that support regional issue-solving, such as Smart City and logistics using drones

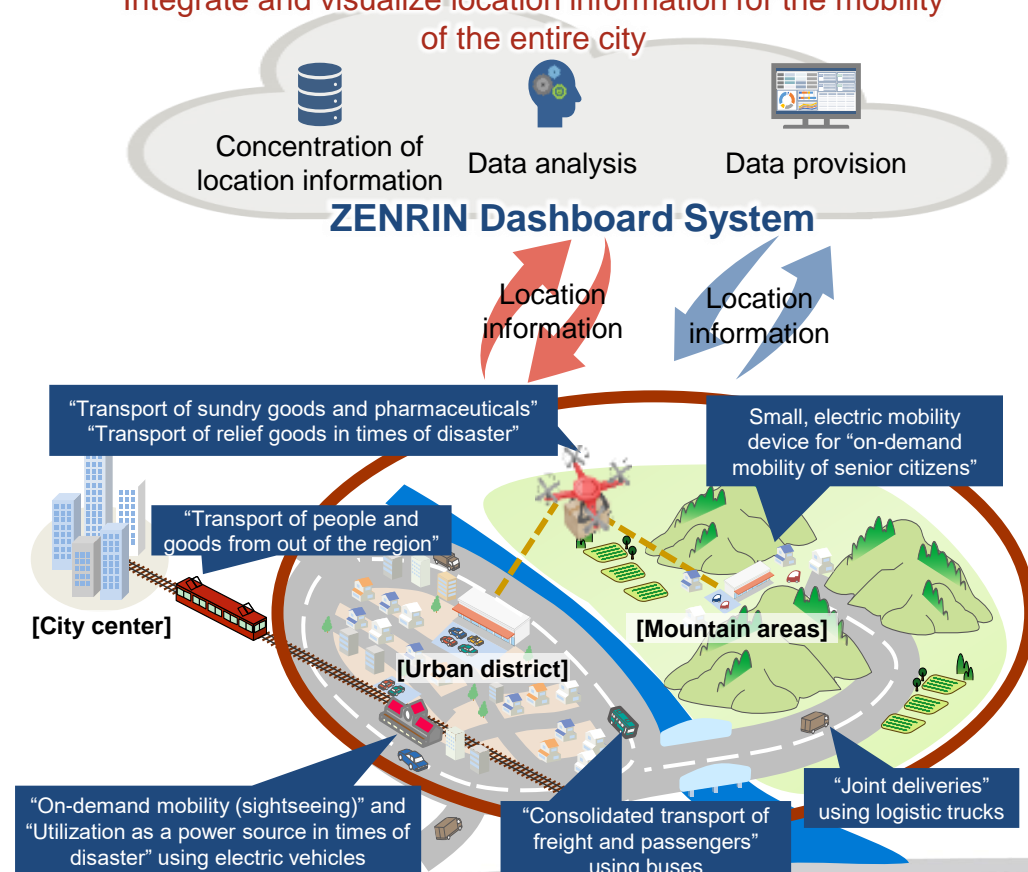
Commercialize the drone delivery service using the 10km or more airspace over rivers as a "Sky highway" (Ina City, Nagano)

Smart City 5-year Demonstration Project (3rd year) to optimize mobility in the entire area (Chichibu City, Saitama)

- In the fall of 2021, full-scale services operated by Ina City commenced.
- We support long-distance flights with high-precision map data.



Integrate and visualize location information for the mobility of the entire city



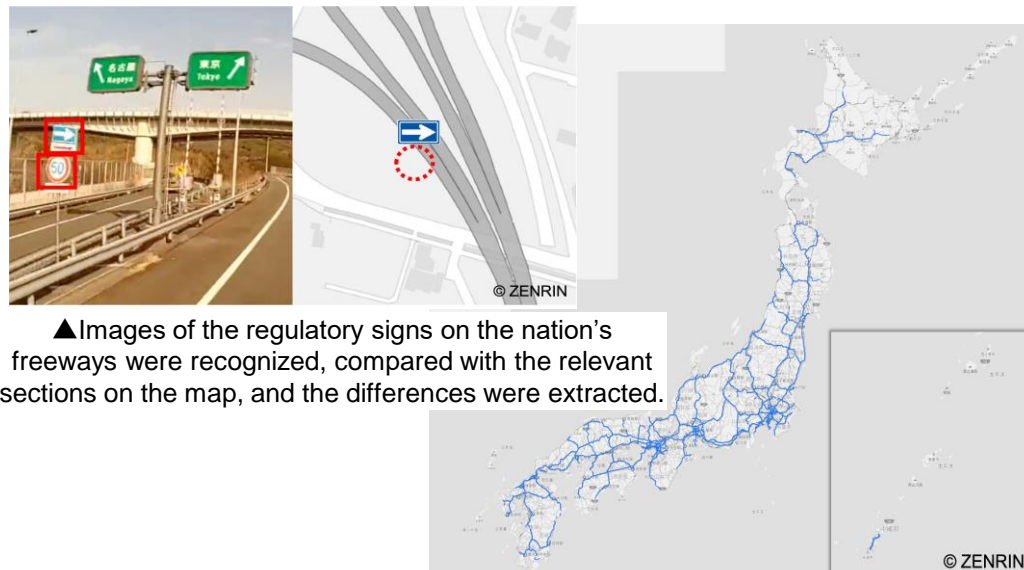
ZENRIN and Mobility Technologies (MoT) have commenced trials for map maintenance of the freeways across Japan using images recorded by 30,000 drive recorders.

May 10, 2022

Trials have commenced in the initiatives to automatically extract information on the differences with maps from camera images of MoT drive recorders using AI technology and utilize them in map maintenance of the freeways across Japan. Through these initiatives, it will become possible to quickly and efficiently extract sections of the freeway highway where changes have taken place and improve data freshness.

Utilization of drive recorder images

Over 30,000 vehicles equipped with “DRIVE CHART,” the next-generation drive recorder, drove through nearly 90 percent of the nation’s highways in a month.



▲Completeness is ensured, as nearly 90% of the approximately 30,000 km of the nation’s freeways were covered in a month.

Contributing to the information infrastructure of a self-driving society

Going forward the applicable roads and types of buildings will be expanded, making it possible to provide spacial information with a high level of freshness.



Driving areas and lanes



Roadwidth



Painted arrows



Concluded a capital and business tie-up agreement with NTT Corporation to construct the Advanced Geospatial Information Database in preparation for the arrival of the IoT/AI age. March 26, 2022

ZENRIN



Both companies will strengthen the proprietary semantic information that has been developed and managed by each company while enhancing the various services and products through mutual use.

April 19, 2021

ZENRIN

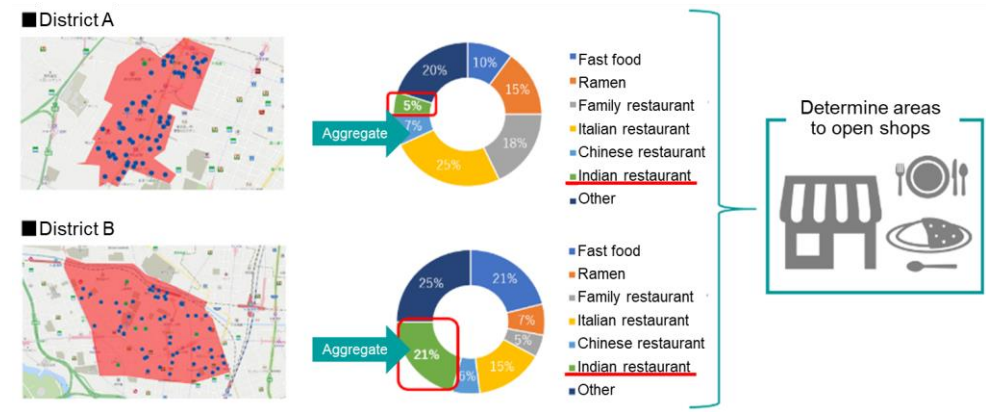
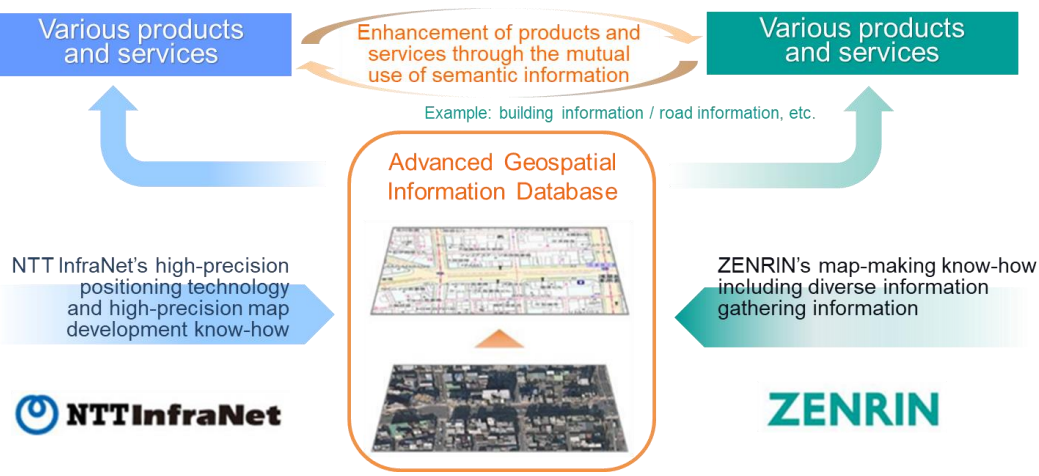


The "Geospatial database" held by ZENRIN and the "Townpage information" with a high level of freshness held by NTT Townpage will be combined for new services to create and enhance products.

June 23, 2021

November 17, 2021 The first joint development released

"Corporate Search Data," a new GIS content product jointly developed by ZENRIN and NTT Townpage has been launched.
-Supporting marketing by combining map information and corporate information -



3. Appendix

1) Earnings Forecast for Fiscal 2023

- (1) Overview of Earnings Forecast for Fiscal 2023
- (2) Net Sales by business
- (3) Amount of Capital Investment, Depreciation and R&D Costs
- (4) Changes in Composition of Net Sales by Quarter
- (5) Dividend

2) ZGP25 2nd Stage

- (1) ZIP as Business Platform
- (2) Basic Policy (Business, Production, Organization & Personnel Affairs, Finance)

(1) Overview

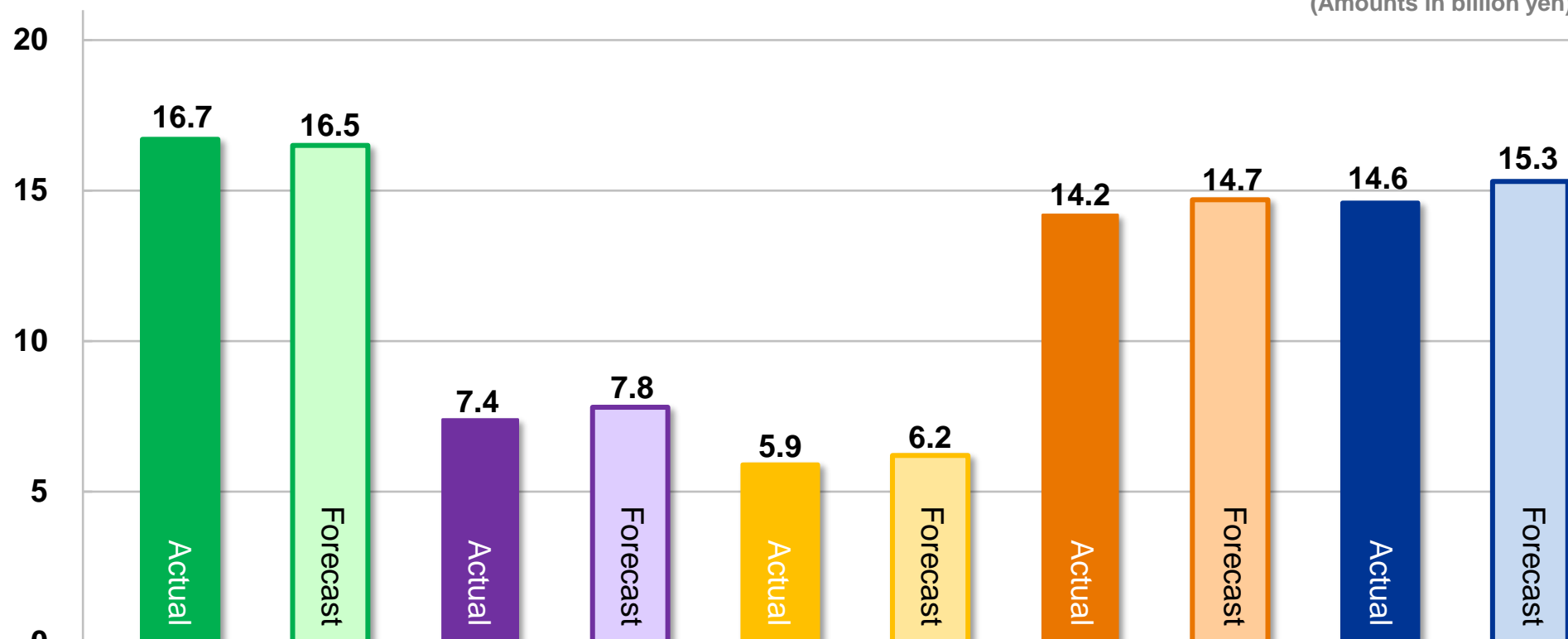
Key Points **【increase in sales and profit】** (Compared to Fiscal 2022)

- Net sales are expected to increase for two consecutive periods, due to the continuing recovery trend from COVID-19.
- In terms of profit and loss, operating profit is expected to increase due to the increase in sales. Additionally, while we expect to report an extraordinary income as a result of a gain on sales of non-current assets in the first quarter, profit attributable to owners of parent is expected to decrease due to a reactionary decline from the recognition of a gain on sales of investment securities under extraordinary income in the previous period.

(Amounts in million yen)

	FY2022 Actual	FY2023 Forecast	Compared to FY2022	
				% of Change
Net Sales	59,053	60,500	1,446	2.4
Operating Expenses	56,382	57,500	1,117	2.0
Operating Profit	2,670	3,000	329	12.3
Operating Margin	4.5%	5.0%	0.5pt	
Ordinary Profit	3,044	3,200	155	5.1
Profit Attributable to Owners of Parent	3,658	2,600	-1,058	-28.9

(Amounts in billion yen)



FY22 FY23

Compared to FY2022 actual

Product
-0.2 (-1.7%)

Public Solution
+0.3 (+4.4%)

Marketing Solution
+0.2 (+4.9%)

IoT
+0.4 (+3.4%)

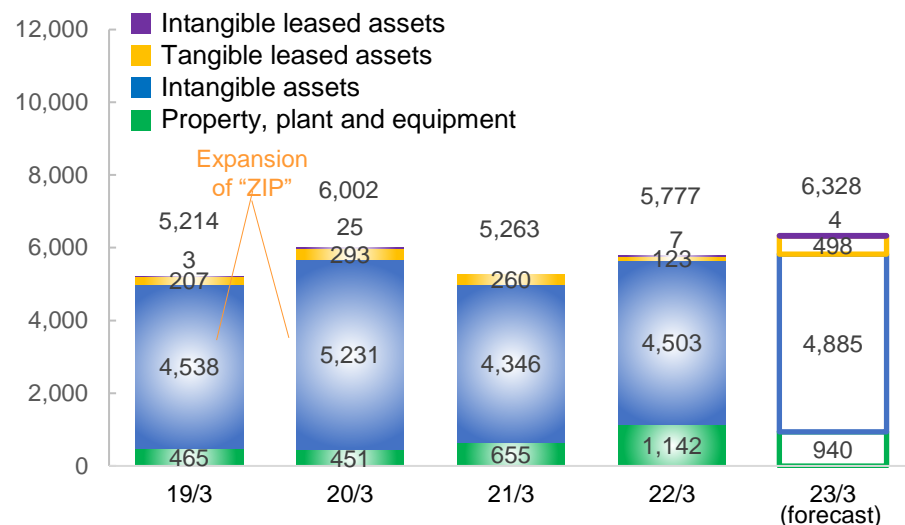
Automotive
+0.6 (+4.3%)

* Sales of the Map Design business for FY2022 are included in the Product business.

3-1) Earnings Forecast for Fiscal 2023

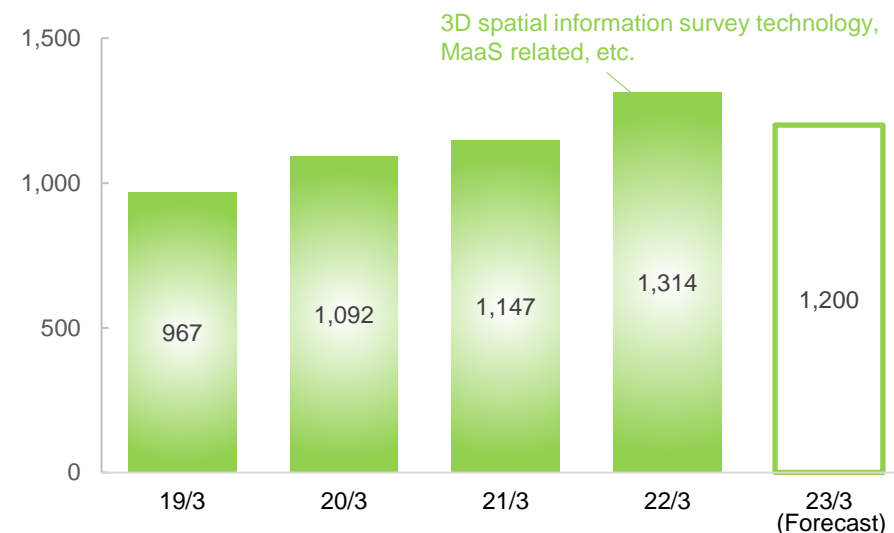
(3) Amount of Capital Investment, Depreciation and R&D Costs

Amount of Capital Investment

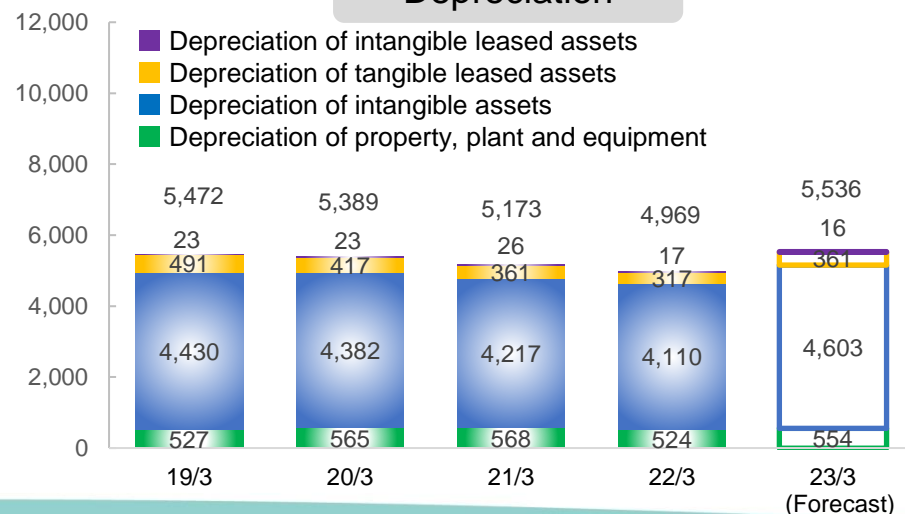


R & D Cost

(Amounts in million yen)

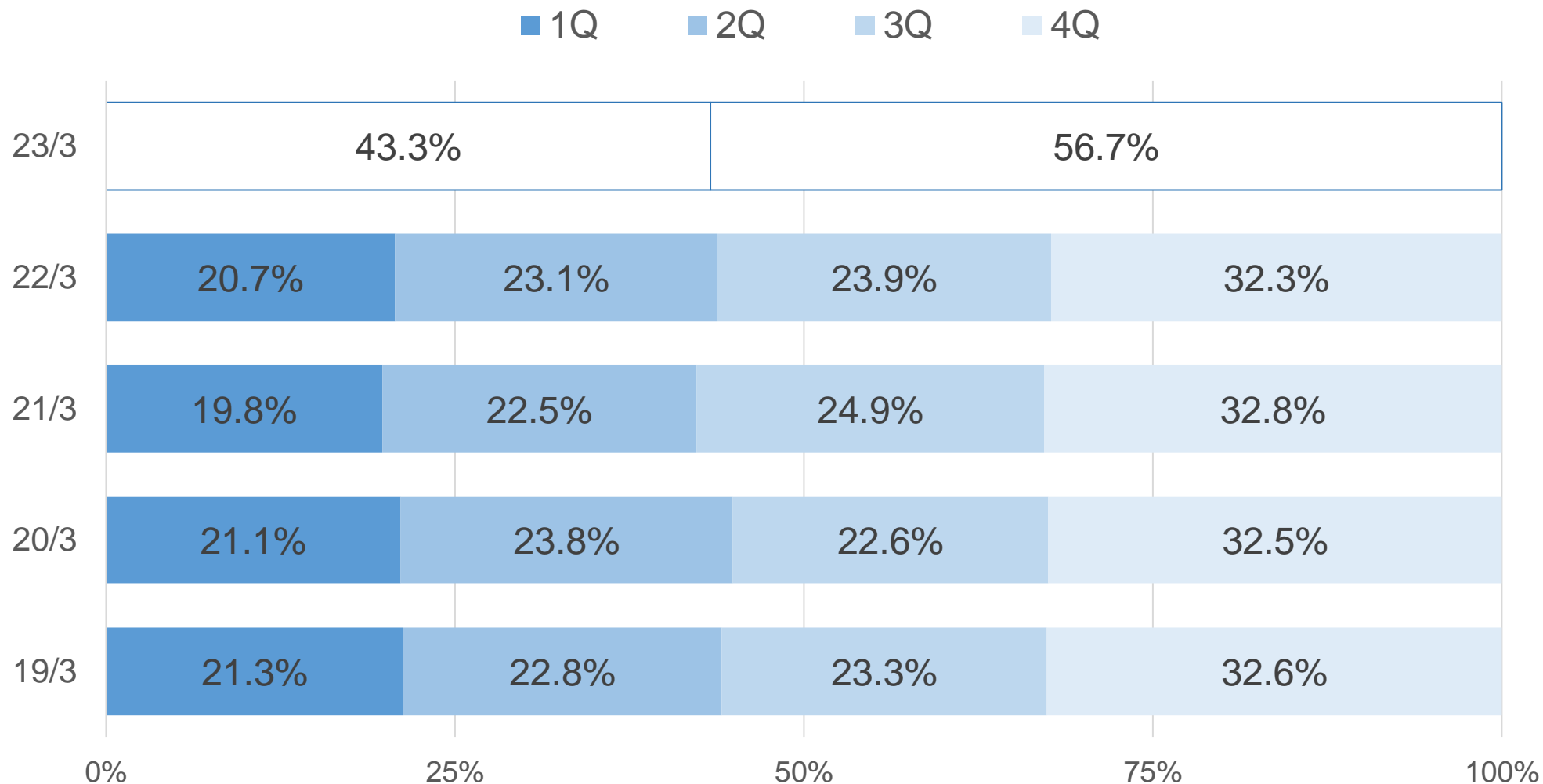


Depreciation



(4) Changes in Composition of Net Sales by Quarter

Briefing on Results for FY2022



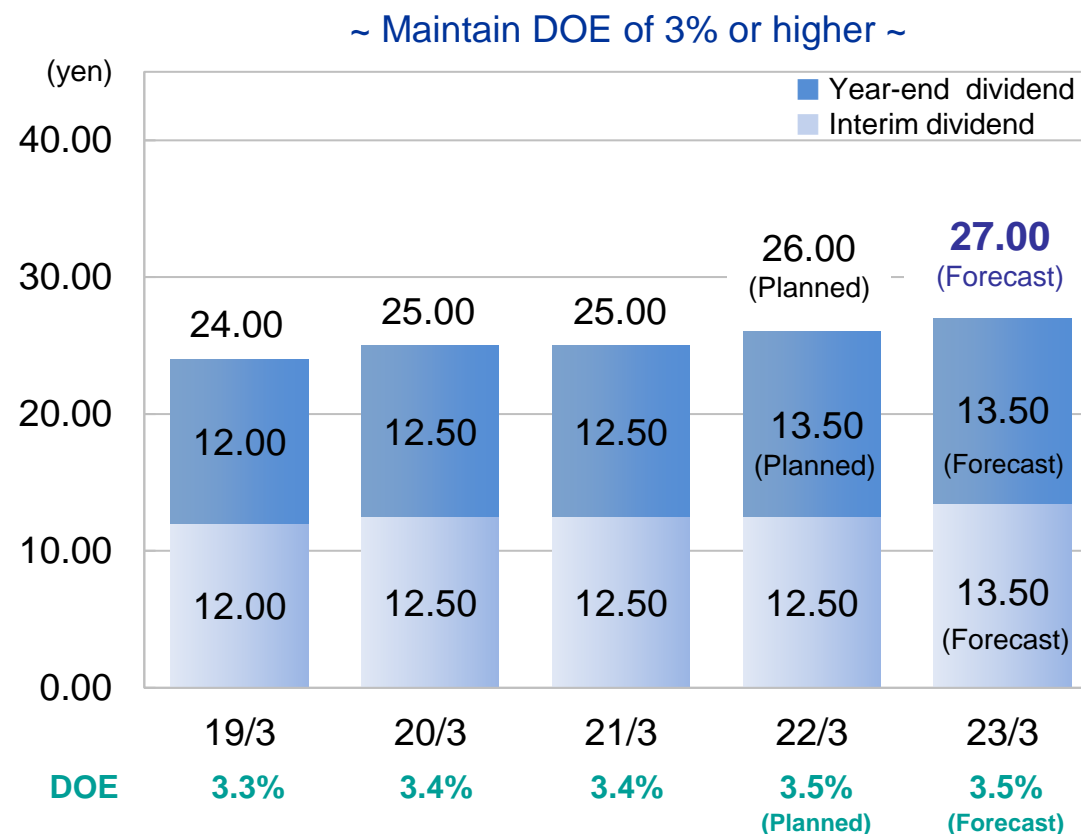
(5) Dividend

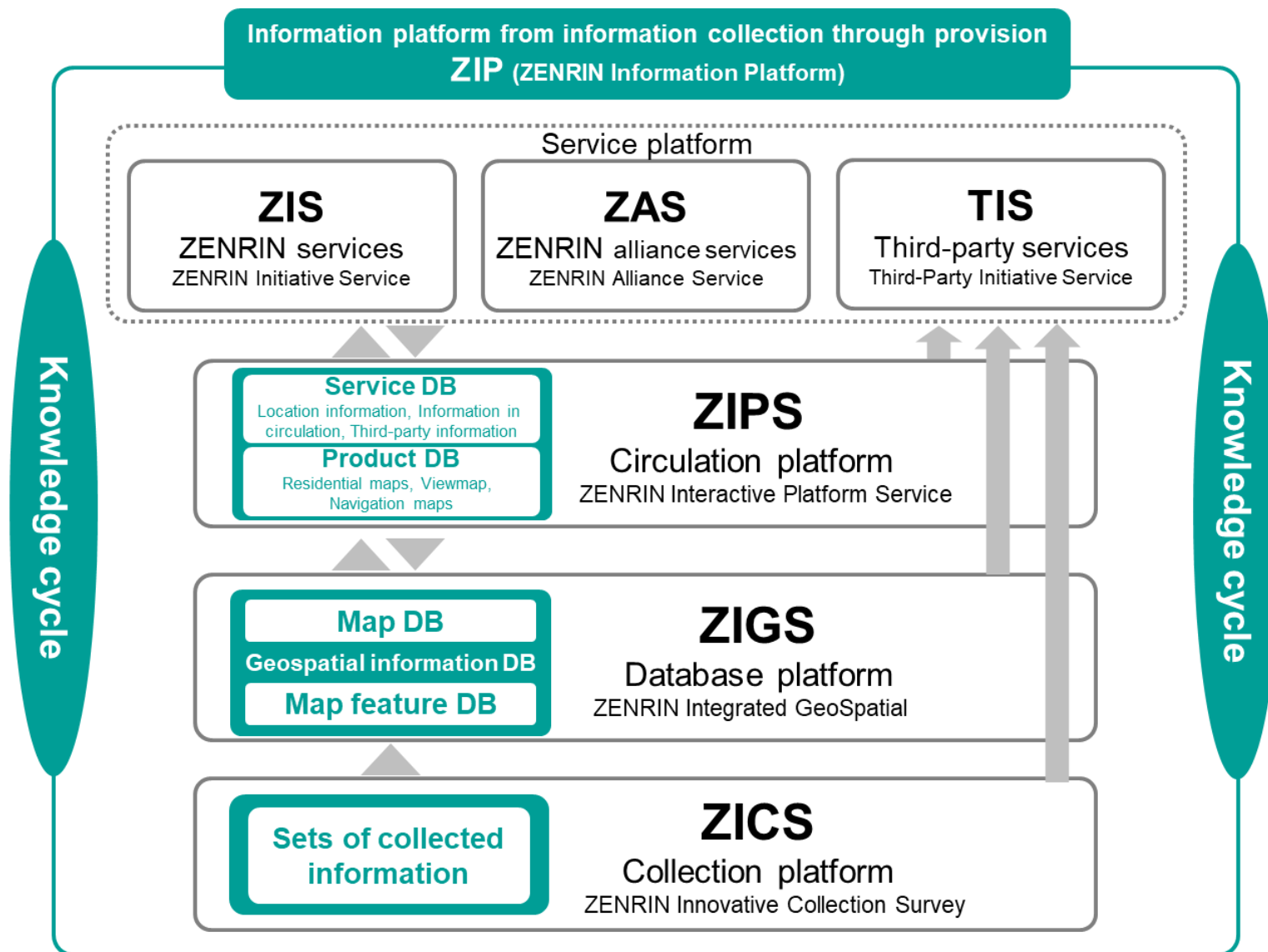
Basic Policy

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

FY2023 Dividend	
Interim	13.50 yen (Forecast)
Year-end	13.50 yen (Forecast)
Annual	27.00 yen (Forecast)





(1) Basic Policy (Business)

Briefing on Results for FY2022

Various sets of collected information are managed and optimized in the “database platform,” and their uses are optimized in the “circulation platform,” bringing about a value chain of services that enhances value to customers in the use of location information.

I	Flow-type business (ownership)	A product business model in which we sell “goods-type services” that contain “activity-type elements” and earn revenue each time we sell them.
II	Stock-type business (regular use)	A license business model in which we provide fixed-term, fixed-amount services that customers can use any time without worry to earn recurring revenue.
III	Subscription-type business (on-demand use)	An on-demand business model in which we provide services to cater on-demand needs of customers to earn a small amount of revenue each time we provide them.
IV	Hybrid-type business (combined use)	A business model that combines the business models listed above to provide higher-value services and to earn recurring revenue.

Excerpts from ZGP25 presentation materials (released on April 26, 2019)

Manage and optimize the “database platform” to connect flexibly sets of collected information with the “circulation platform,” which optimizes the use of various information sets, bringing about location information innovation in network society.

I	Mobility network	Construction of the strongest network database that networks any and all location information.
II	QCDDS innovation	Transformation of “diversity and scalability” to enable the development of applications that is necessary for the creation of value from “activities.”
III	Intelligent technology	Construction of the strongest technology database that puts intellectual technical capabilities of individual into practical use.

Be a corporate group in which a set of people comprising diverse human capital work in a lively atmosphere in a vibrant organization and our stakeholders can have confidence.

I	Process relation	Ensure the optimal “operation of business management processes” to improve management productivity and maintain a sound financial structure
II	Knowledge relation	Develop people to consistently create human capital with “wisdom” always to be able to respond to changes in the external environment
III	Social relation	Create a “work environment in which people can work without worry” to realize a vibrant organization

Maintain a sound financial base through earnings growth and asset efficiency improvement and ensure shareholder returns based on medium- to long-term earnings growth

Adopting return on equity (ROE) as one of key management indicators, strive to improve ROE by promoting the efficient use of assets, in addition to improving operating margin

I

ROE 8% or higher

Operating margin × Total assets turnover ratio × Financial leverage

II

Balanced investment

- Capital investment paying attention to free cash flow
- Optimal allocation of management resources in growth areas

III

Shareholder return

- Stable and consistent shareholder returns based on earnings growth
- Flexible acquisition of own shares

Excerpts from ZGP25 presentation materials (released on April 26, 2019)

ZENRIN

Maps to the Future

ZENRIN Co.,Ltd.

<https://www.zenrin.co.jp/english>

Mail to IR section:

zenrin-ir@zenrin.co.jp