



Financial Summary for Fiscal 2022 [Japanese GAAP] [Consolidated]

April 28, 2022

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 holding of ordinary general meeting of shareholders: June 17, 2022
 Scheduled date of submission of annual securities report: June 20, 2022
 Scheduled date of commencement of dividend payouts: June 20, 2022
 Preparation of supplementary explanatory materials on financial results: Yes
 Holding of briefing session on financial results: Yes (For institutional investors and analysts)

[Amounts are rounded down to the nearest million yen]

1. Consolidated Results of Operations in Fiscal 2022

ZENRIN's fiscal 2022 is the period from April 1, 2021 to March 31, 2022.

(1) Consolidated Business Performance

[% figures represent the increase (decrease) compared to the previous fiscal year]

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|-------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Fiscal 2022 | 59,053 | — | 2,670 | — | 3,044 | — | 3,658 | — |
| Fiscal 2021 | 57,225 | (4.3) | 1,436 | (56.5) | 1,683 | (54.6) | 1,248 | (52.6) |

[Note] Comprehensive income Fiscal 2022: 9,418 million yen [—%] Fiscal 2021: 2,294 million yen [123.1%]

| | Earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary income to total assets | Ratio of operating income to net sales |
|-------------|--------------------|----------------------------|------------------|--|--|
| | yen | yen | % | % | % |
| Fiscal 2022 | 66.94 | 63.16 | 8.1 | 4.0 | 4.5 |
| Fiscal 2021 | 22.54 | 20.91 | 3.0 | 2.4 | 2.5 |

[Reference] Share of profit (loss) of entities accounted for using equity method Fiscal 2022: — million yen
 Fiscal 2021: — million yen

[Note] As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of fiscal 2022, the amounts for fiscal 2022 reflect the application of the said accounting standard, etc., and the increase (decrease) compared to the same period of the previous fiscal year is not stated.

(2) Consolidated Financial Position

| | Total assets | Net assets | Ratio of equity to total assets | Net assets per share |
|-------------|--------------|-------------|---------------------------------|----------------------|
| | million yen | million yen | % | yen |
| Fiscal 2022 | 79,164 | 48,746 | 61.3 | 894.73 |
| Fiscal 2021 | 71,320 | 44,723 | 60.5 | 785.98 |

[Reference] Equity Fiscal 2022: 48,500 million yen Fiscal 2021: 43,149 million yen

[Note] As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of fiscal 2022, the amounts for fiscal 2022 reflect the application of the said accounting standard, etc.

(3) Consolidated Cash Flows

| | Net cash provided by (used) in operating activities | Net cash provided by (used) in investing activities | Net cash provided by (used) in financing activities | Cash and cash equivalents at end of period |
|-------------|---|---|---|--|
| | million yen | million yen | million yen | million yen |
| Fiscal 2022 | 8,201 | (3,784) | (4,629) | 16,455 |
| Fiscal 2021 | 6,351 | (5,041) | (8) | 16,529 |

2. Dividends

| | Annual dividend | | | | | Total dividends million yen | Payout ratio [Consolidated] % | Ratio of dividends to net assets [Consolidated] % |
|------------------------|-------------------|--------------------|-------------------|----------|-------|--------------------------------|-------------------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Year-end | Total | | | |
| | yen | yen | yen | yen | yen | | | |
| Fiscal 2021 | — | 12.50 | — | 12.50 | 25.00 | 1,390 | 110.9 | 3.2 |
| Fiscal 2022 | — | 12.50 | — | 13.50 | 26.00 | 1,423 | 38.8 | 3.1 |
| Fiscal 2023 [forecast] | — | 13.50 | — | 13.50 | 27.00 | | — | |

3. Forecast for Consolidated Results of Operations in Fiscal 2023

ZENRIN's fiscal 2023 is the period from April 1, 2022 to March 31, 2023

[% figures for the fiscal year represent the increase (decrease) compared to the previous fiscal year; % figures for the first 2 quarters [cumulative] 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 [cumulative] | 26,200 | 1.2 | (400) | — | (300) | — | 0 | — | 0.00 |
| Fiscal year | 60,500 | 2.4 | 3,000 | 12.3 | 3,200 | 5.1 | 2,600 | (28.9) | 47.96 |

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1. Analysis of Business Performance

(1) Overview of Business Performance for Fiscal 2022

1. Business Performance for Fiscal 2022

In fiscal 2022 (from April 1, 2021 to March 31, 2022), the effects of COVID-19 infection have been prolonged, and priority measures such as declarations of state of emergency and semi-emergency have been issued, and economic activities have continued to be restricted in the Japanese economy.

In such an environment, although net sales partially decreased mainly as a result of the change to the method of recognizing revenue as a net amount as an agent with the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., sales of vehicles equipped with our data for in-car navigation systems were strong and the automotive-related business performed well, while sales of contracted services for corporations using residential map data and GIS packages for stock-type services remained firm. Additionally, sales related to marketing solutions business increased against the backdrop of a rebound in the demand for advertising and other factors.

In terms of profit and loss, although personnel expenses increased, operating income increased due to the increase in sales.

As a result, the ZENRIN Group reported business performance in fiscal 2022 as follows: net sales of 59,053 million yen (57,225 million yen in the same period of the previous year), operating income of 2,670 million yen (1,436 million yen in the same period of the previous year), ordinary income of 3,044 million yen (1,683 million yen in the same period of the previous year) and profit attributable to owners of parent was 3,658 million yen (1,248 million yen in the same period of the previous year) due to the recording of gain on sales of investment securities as extraordinary income with the sale of shares in C.E. INFO SYSTEMS LIMITED shares.

It should be noted that the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of fiscal 2022. Thus, the Explanation of Business Performance for fiscal 2022 does not include the increase (decrease) amounts and rates (%) compared to the same period of the previous fiscal year. Details are as described in "3. (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)."

Furthermore, from fiscal 2022, information by business segment is omitted because the ZENRIN Group's reportable segments have been aggregated to a single segment.

2. Forecast for Fiscal 2023

With regard to COVID-19 infection, it is expected that economic and social activities will be normalized by efforts to control the infection, but in addition to the global unrest caused by Russia's invasion of Ukraine, there are risks such as semiconductor shortages and soaring raw material prices, therefore, we predict that the Japanese economy will remain uncertain in the future.

Under these circumstances, the ZENRIN Group have decided on a rolling plan for the 2nd Stage (from fiscal 2023 to fiscal 2025) of the medium- to long-term business plan "ZENRIN GROWTH PLAN 2025 (hereinafter referred to as ZGP25)" that is currently underway, with the theme of "embodying business models" based on the results of the 1st Stage (from fiscal 2020 to fiscal 2022).

The policy of the ZENRIN Group is sustainable management, which aims for sustainable corporate growth by supporting the resolution of social issues through the provision of location information. In the 2nd Stage, we aim to recover the business performance that was sluggish due to the coronavirus pandemic as soon as possible in order to leap to the next growth stage. Furthermore, in order to solve social issues that have become apparent, we will optimize location and distribution information, and work on innovation of location information to create new value.

Please refer to "Rolling Plan of Medium- to Long-Term Management Plan 'ZENRIN GROWTH PLAN 2025'", which is announced separately today, for the efforts to achieve the goals of ZGP25 2nd Stage and the performance targets.

Based on the above, the forecast of consolidated results for fiscal 2023 expects net sales of 60,500 million yen, operating income of 3,000 million yen, ordinary income of 3,200 million yen, and profit attributable to owners of parent of 2,600 million yen.

(2) Overview of Financial Position for Fiscal 2022

1. Overview of Fiscal 2022

Total assets at the end of fiscal 2022 amounted to 79,164 million yen (increased 7,843 million yen, or up 11.0%, compared to the end of the previous fiscal year). This was mainly attributable to an increase in investment securities resulting from the fair market value of shares of C.E. INFO SYSTEMS LIMITED following its listing on the Bombay Stock Exchange and the National Stock Exchange of India.

Liabilities amounted to 30,417 million yen (increased 3,820 million yen, or up 14.4%, compared to the end of the previous fiscal year). This was mainly attributable to an increase in accrued expenses due to the recording of accrued bonuses, etc., and an increase in advances received due to the opening adjustment accompanying the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020).

Net assets amounted to 48,746 million yen (increased 4,022 million yen, or up 9.0%, compared to the end of the previous fiscal year), despite a decrease in non-controlling interests due to the additional acquisition of shares of consolidated subsidiaries. This was mainly due to an increase in valuation difference on available-for-sale securities resulting from the fair market value of shares of C.E. INFO SYSTEMS LIMITED following its listing on the Bombay Stock Exchange and the National Stock Exchange of India. As a result, the ratio of equity to total assets at the end of fiscal 2022 was 61.3% (up 0.8 points compared to at the end of fiscal 2021).

The following outlines the status of cash flows in fiscal 2022.

Cash and cash equivalents at the end of fiscal 2022 stood at 16,455 million yen (decreased 74 million yen, or down 0.5%, compared to at the end of fiscal 2021).

Cash Flows from Operating Activities

Net cash provided by operating activities stood at 8,201 million yen (increased 1,850 million yen compared to the previous fiscal year). This was attributable to profit before income taxes in the amount of 4,961 million yen, gain on sale of investment securities in the amount of 2,016 million yen and income taxes paid in the amount of 716 million yen and other factors of decrease, being offset by depreciation and amortization in the amount of 4,969 million yen, an increase in accrued expenses in the amounts of 1,052 million yen, and other factors of increase.

Cash Flows from Investing Activities

Net cash used in investing activities stood at 3,784 million yen (decreased 1,257 million yen compared to the previous fiscal year). This was attributable to proceeds from sale of investment securities in the amounts of 2,097 million yen, proceeds from sale of shares of subsidiaries and associates in the amounts of 686 million yen and other factors of increase, being offset by purchase of property, plant and equipment and intangible assets in the amounts of 5,608 million yen, purchase of investment securities in the amounts of 656 million yen and other factors of decrease.

Cash Flows from Financing Activities

Net cash used in financing activities stood at 4,629 million yen (increased 4,620 million yen compared to the previous fiscal year), mainly due to purchase of shares of subsidiaries not resulting in change in scope of consolidation in the amount of 1,768 million yen, cash dividends paid in the amount of 1,376 million yen, purchase of treasury shares in the amount of 769 million yen, and repayments of long-term borrowings in the amount of 505 million yen.

2. Changes in Cash Flow Indicators

| | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| Ratio of equity to total assets [%] | 54.9 | 56.7 | 57.1 | 60.5 | 61.3 |
| Ratio of equity to total assets [%] (market value basis) | 165.5 | 183.2 | 79.4 | 102.0 | 68.3 |
| Ratio of interest-bearing liabilities to operating cash flows [years] | 1.0 | 1.2 | 1.3 | 1.7 | 1.2 |
| Interest coverage ratio [times] | 337.3 | 425.5 | 513.0 | 382.6 | 939.4 |

[Notes] Each indicator is calculated in accordance with the following formulas, using consolidated financial figures.

- Ratio of equity to total assets: $\text{Equity} / \text{Total assets}$
- Ratio of equity to total assets (market value basis): $\text{Market capitalization} / \text{Total assets}$
*Market capitalization is calculated by multiplying the number of shares issued and outstanding at the end of the fiscal year (excluding treasury shares) by the closing price per share at the end of the fiscal year.
- Ratio of interest-bearing liabilities to operating cash flows: $\text{Interest-bearing liabilities} / \text{Operating cash flows}$
*Operating cash flows are the net cash provided by (used in) operating activities recorded on consolidated statement of cash flows.
*Interest-bearing liabilities include all liabilities recorded on consolidated balance sheets on which interest is paid.
- Interest coverage ratio: $\text{Operating cash flows} / \text{Interest paid}$
*Interest paid is the interest expenses paid recorded on consolidated statement of cash flows.

(3) Basic Policy on Distribution of Income, and Payment of Dividends in Fiscal 2022 and 2023

Positioning the returning of income to shareholders as a top priority, ZENRIN adopts a basic policy of realizing stable, uninterrupted payments of dividends derived from income growth based on the medium- to long-term business plan on a consolidated basis. Under this policy, ZENRIN will aim for a dividend equity (DOE) [Note] on a consolidated basis of 3% or higher while maintaining dividends at the current level.

In addition, by continuing to consider purchasing treasury shares and other undertakings with the aim of ensuring an agile capital policy and enhancing capital efficiency, ZENRIN will return income to shareholders in accordance with the level of income on a consolidated basis while taking into account the maintaining of an adequate amount of internal reserves.

The internal reserves will be used for capital investment, research and development investment and other expenditures that are indispensable for business development in the future in order to keep pace with the rapid market changes.

Based on the policy above, ZENRIN plans to increase the year-end dividend for fiscal 2022 by 1 yen to 13.50 yen per share. As a result, including the interim dividend of 12.50 yen per share, which has already been implemented, the annual dividend is expected to be 26 yen per share.

Please note that this matter will be decided by resolution at ZENRIN's 62nd ordinary general meeting of shareholders that is scheduled to be held on June 17, 2022

ZENRIN expects 27 yen as the annual dividend per share for the next fiscal year, an increase by 1 yen from fiscal 2022, with 13.50 yen as both the interim dividend per share and year-end dividend per share.

[Note] Dividend on equity on a consolidated basis (DOE)

= $\text{Total amount of dividends} / \text{Shareholders' equity}$

Shareholders' equity is the amount arrived at when the amount of treasury shares is subtracted from the sum total of common stock, capital surplus and retained earnings.

2. Basic approach to the selection of accounting standards

As a basic policy, the ZENRIN Group will continue to prepare its consolidated financial statements under the Japanese standards, in consideration of the comparability of its consolidated financial statements between periods and corporations.

Meanwhile, we intend to address the future application of IFRS appropriately upon taking into careful consideration various circumstances both in Japan and abroad surrounding the ZENRIN Group.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

[Unit: million yen]

| | Fiscal 2021 As of March 31, 2021 | Fiscal 2022 As of March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,853 | 16,857 |
| Notes and accounts receivable – trade | 12,675 | – |
| Notes receivable - trade | – | 45 |
| Electronically recorded monetary claims – operating | 90 | 106 |
| Accounts receivable - trade | – | 12,277 |
| Contract assets | – | 269 |
| Securities | 5 | 5 |
| Merchandise and finished goods | 992 | 962 |
| Work in process | 426 | 272 |
| Raw materials and supplies | 78 | 109 |
| Other | 1,564 | 1,363 |
| Allowance for doubtful accounts | (5) | (4) |
| Total current assets | 32,682 | 32,267 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,791 | 4,488 |
| Machinery, equipment and vehicles, net | 86 | 70 |
| Land | 5,708 | 5,533 |
| Leased assets, net | 1,618 | 1,424 |
| Construction in progress | 84 | 923 |
| Other, net | 753 | 754 |
| Total property, plant and equipment | 13,042 | 13,194 |
| Intangible assets | | |
| Goodwill | 395 | 278 |
| Software | 10,332 | 9,958 |
| Leased assets | 34 | 24 |
| Other | 3,168 | 3,846 |
| Total intangible assets | 13,931 | 14,108 |
| Investments and other assets | | |
| Investment securities | 4,144 | 12,339 |
| Long-term loans receivable | 3 | 2 |
| Net defined benefit asset | 4,068 | 4,158 |
| Deferred tax assets | 1,613 | 1,047 |
| Other | 1,956 | 2,149 |
| Allowance for doubtful accounts | (123) | (105) |
| Total investments and other assets | 11,663 | 19,593 |
| Total non-current assets | 38,637 | 46,896 |
| Total assets | 71,320 | 79,164 |

[Unit: million yen]

| | Fiscal 2021 As of March 31, 2021 | Fiscal 2022 As of March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 3,401 | 3,153 |
| Short-term loans payable | 1,885 | 2,066 |
| Current portion of bonds payable | — | 8,047 |
| Lease obligations | 308 | 225 |
| Accrued expenses | 3,659 | 4,708 |
| Income taxes payable | 447 | 1,153 |
| Advances received | 4,798 | 6,662 |
| Provision for directors' bonuses | 41 | 124 |
| Provision for sales returns | 6 | — |
| Asset retirement obligations | — | 10 |
| Other | 2,140 | 2,184 |
| Total current liabilities | 16,688 | 28,337 |
| Non-current liabilities | | |
| Bonds payable | 8,095 | — |
| Long-term loans payable | 572 | 18 |
| Lease obligations | 461 | 357 |
| Deferred tax liabilities | 189 | 1,145 |
| Provision for directors' retirement benefits | 128 | 128 |
| Provision for management board benefit trust | 52 | 50 |
| Net defined benefit liability | 306 | 281 |
| Asset retirement obligations | 73 | 67 |
| Other | 28 | 28 |
| Total non-current liabilities | 9,907 | 2,079 |
| Total liabilities | 26,596 | 30,417 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,557 | 6,557 |
| Capital surplus | 12,925 | 12,484 |
| Retained earnings | 25,299 | 26,084 |
| Treasury shares | (3,311) | (4,062) |
| Total shareholders' equity | 41,471 | 41,064 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 661 | 6,306 |
| Foreign currency translation adjustment | 46 | 155 |
| Remeasurements of defined benefit plans | 969 | 973 |
| Total accumulated other comprehensive income | 1,677 | 7,435 |
| Non-controlling interests | 1,574 | 246 |
| Total net assets | 44,723 | 48,746 |
| Total liabilities and net assets | 71,320 | 79,164 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**Consolidated Statement of Income**

[Unit: million yen]

| | Fiscal 2021 | Fiscal 2022 |
|---|---|---|
| | From: April 1, 2020 To: March 31, 2021 | From: April 1, 2021 To: March 31, 2022 |
| Net sales | 57,225 | 59,053 |
| Cost of sales | 35,181 | 34,646 |
| Gross profit | 22,043 | 24,406 |
| Selling, general and administrative expenses | | |
| Personnel expenses | 11,625 | 12,567 |
| Provision for directors' bonuses | 39 | 127 |
| Retirement benefit expenses | 411 | 304 |
| Other | 8,530 | 8,736 |
| Total selling, general and administrative expenses | 20,607 | 21,736 |
| Operating profit | 1,436 | 2,670 |
| Non-operating income | | |
| Interest income | 7 | 8 |
| Dividend income | 107 | 73 |
| Rental income from real estate | 60 | 66 |
| Subsidy income | 24 | 62 |
| Compensation income | — | 54 |
| Interest income on securities | 47 | 47 |
| Other | 130 | 147 |
| Total non-operating income | 377 | 460 |
| Non-operating expenses | | |
| Interest expenses | 16 | 8 |
| Foreign exchange losses | — | 38 |
| Non-deductible consumption taxes | 1 | 13 |
| Depreciation of inactive non-current assets | 31 | — |
| Other | 80 | 25 |
| Total non-operating expenses | 129 | 86 |
| Ordinary profit | 1,683 | 3,044 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 7 | 0 |
| Gain on sales of investment securities | 94 | 2,016 |
| Gain on sale of shares of subsidiaries and associates | — | 478 |
| Total extraordinary income | 101 | 2,495 |
| Extraordinary losses | | |
| Loss on sales and retirement of non-current assets | 109 | 426 |
| Impairment loss | 41 | 37 |
| Loss on valuation of investment securities | 20 | 114 |
| Other | 0 | — |
| Total extraordinary losses | 173 | 578 |
| Profit before income taxes | 1,611 | 4,961 |
| Income taxes – current | 635 | 1,440 |
| Income taxes – deferred | (196) | (139) |
| Total income taxes | 439 | 1,301 |
| Profit | 1,172 | 3,659 |
| Profit (loss) attributable to non-controlling interests | (76) | 1 |
| Profit attributable to owners of parent | 1,248 | 3,658 |

Consolidated Statement of Comprehensive Income

[Unit: million yen]

| | Fiscal 2021 | Fiscal 2022 |
|--|---|---|
| | From: April 1,2020 To: March 31,2021 | From: April 1,2021 To: March 31,2022 |
| Profit | 1,172 | 3,659 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 319 | 5,645 |
| Foreign currency translation adjustment | (24) | 108 |
| Remeasurements of defined benefit plans, net of tax | 826 | 4 |
| Total other comprehensive income | 1,122 | 5,758 |
| Comprehensive income | 2,294 | 9,418 |
| [Comprehensive income attributable to] | | |
| Comprehensive income attributable to owners of parent | 2,372 | 9,417 |
| Comprehensive income attributable to non-controlling interests | (77) | 1 |

(3) Consolidated Statement of Changes in Equity**Fiscal 2021 (from April 1, 2020 to March 31, 2021)**

[Unit: million yen]

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of fiscal 2021 | 6,557 | 13,624 | 27,796 | (8,817) | 39,161 |
| Cumulative effects of changes in accounting policies | | | | | — |
| Restated balance | 6,557 | 13,624 | 27,796 | (8,817) | 39,161 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (1,358) | | (1,358) |
| Profit attributable to owners of parent | | | 1,248 | | 1,248 |
| Purchase of treasury shares | | | | (2,024) | (2,024) |
| Disposal of treasury shares | | (552) | (2,388) | 7,531 | 4,590 |
| Capital increase of consolidated subsidiaries | | (11) | | | (11) |
| Purchase of shares of consolidated subsidiaries | | (13) | | | (13) |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (121) | | | (121) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes of items during period | — | (698) | (2,497) | 5,506 | 2,310 |
| Balance at end of fiscal 2021 | 6,557 | 12,925 | 25,299 | (3,311) | 41,471 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of fiscal 2021 | 342 | 69 | 142 | 554 | 1,736 | 41,451 |
| Cumulative effects of changes in accounting policies | | | | | | — |
| Restated balance | 342 | 69 | 142 | 554 | 1,736 | 41,451 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (1,358) |
| Profit attributable to owners of parent | | | | | | 1,248 |
| Purchase of treasury shares | | | | | | (2,024) |
| Disposal of treasury shares | | | | | | 4,590 |
| Capital increase of consolidated subsidiaries | | | | | | (11) |
| Purchase of shares of consolidated subsidiaries | | | | | | (13) |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | (121) |
| Net changes in items other than shareholders' equity | 319 | (22) | 826 | 1,123 | (161) | 961 |
| Total changes of items during period | 319 | (22) | 826 | 1,123 | (161) | 3,271 |
| Balance at end of fiscal 2021 | 661 | 46 | 969 | 1,677 | 1,574 | 44,723 |

Fiscal 2022 (from April 1, 2021 to March 31, 2022)

[Unit: million yen]

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of fiscal 2022 | 6,557 | 12,925 | 25,299 | (3,311) | 41,471 |
| Cumulative effects of changes in accounting policies | | | (1,495) | | (1,495) |
| Restated balance | 6,557 | 12,925 | 23,804 | (3,311) | 39,976 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (1,377) | | (1,377) |
| Profit attributable to owners of parent | | | 3,658 | | 3,658 |
| Purchase of treasury shares | | | | (769) | (769) |
| Disposal of treasury shares | | | (0) | 17 | 17 |
| Capital increase of consolidated subsidiaries | | | | | — |
| Purchase of shares of consolidated subsidiaries | | | | | — |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (441) | | | (441) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes of items during period | — | (441) | 2,280 | (751) | 1,088 |
| Balance at end of fiscal 2022 | 6,557 | 12,484 | 26,084 | (4,062) | 41,064 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of fiscal 2022 | 661 | 46 | 969 | 1,677 | 1,574 | 44,723 |
| Cumulative effects of changes in accounting policies | | | | | | (1,495) |
| Restated balance | 661 | 46 | 969 | 1,677 | 1,574 | 43,228 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (1,377) |
| Profit attributable to owners of parent | | | | | | 3,658 |
| Purchase of treasury shares | | | | | | (769) |
| Disposal of treasury shares | | | | | | 17 |
| Capital increase of consolidated subsidiaries | | | | | | — |
| Purchase of shares of consolidated subsidiaries | | | | | | — |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | (441) |
| Net changes in items other than shareholders' equity | 5,645 | 108 | 4 | 5,758 | (1,328) | 4,430 |
| Total changes of items during period | 5,645 | 108 | 4 | 5,758 | (1,328) | 5,518 |
| Balance at end of fiscal 2022 | 6,306 | 155 | 973 | 7,435 | 246 | 48,746 |

(4) Consolidated Statement of Cash Flows

[Unit: million yen]

| | Fiscal 2021 | Fiscal 2022 |
|---|---|---|
| | From: April 1, 2020 To: March 31, 2021 | From: April 1, 2021 To: March 31, 2022 |
| Cash flows from operating activities | | |
| Profit before income taxes | 1,611 | 4,961 |
| Depreciation | 5,173 | 4,969 |
| Impairment loss | 41 | 37 |
| Amortization of goodwill | 162 | 136 |
| Decrease (increase) in net defined benefit asset | 82 | (83) |
| Increase (decrease) in net defined benefit liability | 17 | (24) |
| Loss (gain) on valuation of investment securities | 20 | 114 |
| Interest and dividend income | (114) | (81) |
| Interest expenses | 16 | 8 |
| Loss (gain) on sales and retirement of non-current assets | 102 | 425 |
| Loss (gain) on sales of investment securities | (93) | (2,016) |
| Loss (gain) on sale of shares of subsidiaries and associates | — | (478) |
| Decrease (increase) in notes and accounts receivable – trade | 1,382 | 561 |
| Decrease (increase) in inventories | 97 | 181 |
| Increase (decrease) in notes and accounts payable – trade | (80) | (318) |
| Increase (decrease) in accrued expenses | (721) | 1,052 |
| Increase (decrease) in advances received | 310 | (440) |
| Increase (decrease) in accrued consumption taxes | (13) | 89 |
| Other | (217) | (249) |
| Subtotal | 7,779 | 8,846 |
| Interest and dividend income received | 122 | 80 |
| Interest expenses paid | (16) | (8) |
| Income taxes paid | (1,534) | (716) |
| Net cash provided by (used in) operating activities | 6,351 | 8,201 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (5,029) | (5,608) |
| Purchase of investment securities | (328) | (656) |
| Proceeds from sales of investment securities | 232 | 2,097 |
| Proceeds from sale of shares of subsidiaries and associates | — | 686 |
| Payments of leasehold and guarantee deposits | (33) | (168) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (179) | (97) |
| Other | 296 | (37) |
| Net cash provided by (used in) investing activities | (5,041) | (3,784) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | — | 130 |
| Repayments of long-term loans payable | (452) | (505) |
| Repayments of lease obligations | (511) | (332) |
| Purchase of treasury shares | (2,024) | (769) |
| Cash dividends paid | (1,356) | (1,376) |
| Dividends paid to non-controlling interests | (17) | (2) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (328) | (1,768) |
| Proceeds from share issuance to non-controlling shareholders | 99 | — |
| Other | 4,583 | (4) |
| Net cash provided by (used in) financing activities | (8) | (4,629) |
| Effect of exchange rate change on cash and cash equivalents | (8) | 137 |
| Net increase (decrease) in cash and cash equivalents | 1,292 | (74) |
| Cash and cash equivalents at beginning of period | 15,237 | 16,529 |
| Cash and cash equivalents at end of period | 16,529 | 16,455 |

(5) Notes to Consolidated Financial Statements

Notes on the Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition, Etc.

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of fiscal 2022. The application of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the start of fiscal 2022, was added to or subtracted from the opening balance of retained earnings of fiscal 2022, and thus the new accounting policy was applied from such opening balance. However, the new accounting policy has not been retrospectively applied to contracts in which the amounts of almost all earnings are recognized in accordance with the previous treatment before the beginning of fiscal 2022 through the application of the method prescribed in paragraph 86 of the Accounting Standard for Revenue Recognition.

It has thus recognized promised goods or services as revenue at the amount expected to be received upon exchange of said goods or services at the time the control of said goods or services is transferred to the customer. Major points of change in accounting method include (1) while revenue for some license transactions were usually recognized when the license was granted to the end user, revenue is now recognized for the period of time over which the performance obligation to customers is satisfied for the relevant license, (2) if the performance obligation is to arrange the provision of goods or services promised with customers through another party, revenue is recognized in net amount as an agent, and (3) regarding entrusted contracts in which performance obligation continues over a certain period of time, while revenue was recognized upon completion of the entrusted services, revenue is, as a basic rule, recognized as the satisfaction of performance obligations progresses.

In addition, "notes and accounts receivable" displayed in "current assets" in the consolidated balance sheet of the previous consolidated fiscal year has been included in "notes receivable", "accounts receivable" and "contract assets" from fiscal 2022. However, in accordance with the transitional treatment stipulated in paragraph 89-2 of the Accounting Standard for Revenue Recognition, it has not been reclassified regarding the previous consolidated fiscal year using the new presentation method.

As a result, advances received increased by 2,394 million yen on the consolidated balance sheet for fiscal 2022 compared to one before the application of the Accounting Standard for Revenue Recognition, etc. In the consolidated statement of income for fiscal 2022, net sales decreased by 1,041 million yen and cost of sales decreased by 1,036 million yen, respectively, and the impact on operating income, ordinary income and profit before income taxes is minor.

The impact on the consolidated statement of cash flows for fiscal 2022 is minor.

Due to the cumulative impact on net assets at the beginning of fiscal 2022, the beginning balance of retained earnings on the consolidated statement of changes in equity decreased by 1,495 million yen.

The impact on the information per share is described in the relevant section.

Application of Accounting Standard for Fair Value Measurement, Etc.

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. have been applied from the beginning of fiscal 2022. The Group has decided to apply new accounting policies prospectively provided for in the Accounting Standard for Fair Value Measurement, etc. in accordance with the transitional treatment stipulated in paragraphs 19 of the Accounting Standard for Fair Value Measurement and 44-2 of the Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019).

This will have no impact on the consolidated financial statements.

Reportable Segment Information

1. Overview of Reportable Segments

While the ZENRIN Group's reportable segments were previously been classified into the Map Database segment and the General Printing segment, those segments have been aggregated in a single segment named "Map and Location Data Services business" from fiscal 2022.

As the business environment is changing very rapidly due to the growing needs for location data, the ZENRIN Group has shifted to its business that provides services in response to customer needs by integrally managing location data and other related diverse data. In addition, considering that sales, profits, and assets in the General Printing segment have been less significant, we have determined that disclosing those two segments in aggregate as the "Map and Location Data Services business" would reflect the actual management status of the ZENRIN Group more properly, as a result of taking into account the ZENRIN Group's business development and the process and actual conditions of decision-making on the allocation of management resources, etc.

Through this change, as the ZENRIN Group's reportable segment has been aggregated to a single segment of "Map and Location Data Services business," the segment information for fiscal 2021 and fiscal 2022 has been omitted.

2. Basis for Calculating Reportable Segment Net Sales, Income or Loss, Assets, Liabilities and Other Account Items

As the ZENRIN Group has a single segment named "Map and Location Data Services business" the segment information has been omitted.

3. Information on Reportable Segment Net Sales, Income or Loss, Assets, Liabilities and Other Account Items

Fiscal 2021 (from April 1, 2020 to March 31,2021)

As the ZENRIN Group has a single segment named "Map and Location Data Services business", the segment information has been omitted.

Fiscal 2022 (from April 1, 2021 to March 31,2022)

As the ZENRIN Group has a single segment named "Map and Location Data Services business", the segment information has been omitted.

Per Share Information

| | Fiscal 2021 From: April 1, 2020 To: March 31, 2021 | Fiscal 2022 From: April 1, 2021 To: March 31, 2022 |
|----------------------------------|--|--|
| Net assets per share (yen) | 785.98 | 894.73 |
| Net income per share (yen) | 22.54 | 66.94 |
| Diluted earnings per share (yen) | 20.91 | 63.16 |

[Note 1] The Company's shares held by Custody Bank of Japan, Ltd. (Trust E account) as trust assets under the Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP) are included in the number of treasury shares that are deducted from the total number of shares outstanding at the end of the fiscal year for reason of calculation of net assets per share (329 thousand shares for the previous consolidated fiscal year, 317 thousand shares for the consolidated fiscal year under review).

They are also included in the number of treasury shares that are deducted from the average number of shares outstanding in the fiscal year for reason of calculation of earnings per share (335 thousand shares for the previous consolidated fiscal year, 322 thousand shares for the consolidated fiscal year under review).

[Note 2] As described in "Changes in Accounting Policies", the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. are being applied, and ZENRIN follows the transitional handling stipulated in the proviso of paragraph 84 of the "Accounting Standards for Revenue Recognition". As a result, net assets per share decreased by 27.65 yen in the consolidated fiscal year under review. In addition, the impact of this change on net income per share and diluted earnings per share for the consolidated fiscal year under review is minor.

[Note 3] Earnings per share and diluted earnings per share are calculated under the following calculation basis

| | Fiscal 2021 From: April 1, 2020 To: March 31, 2021 | Fiscal 2022 From: April 1, 2021 To: March 31, 2022 |
|--|--|--|
| Net Income Per Share | | |
| Profit attributable to owners of parent (million yen) | 1,248 | 3,658 |
| Amount not attributable to common stock (million yen) | — | — |
| Profit attributable to owners of parent on common stock (million yen) | 1,248 | 3,658 |
| Average number of common shares outstanding in the fiscal year (thousand shares) | 55,415 | 54,651 |
| Diluted earnings per share | | |
| Adjustment of profit attributable to owners of parent (million yen) | (32) | (32) |
| Write-off in the fiscal year (after deduction of tax equivalent) (million yen) | (33) | (33) |
| Fees (after deduction of tax equivalent) (million yen) | (0) | (0) |
| Increase in the number of common shares (thousand shares) | 2,759 | 2,761 |
| Convertible bond-type bonds with subscription rights to shares (thousand shares) | (2,759) | (2,761) |
| Summary of diluted shares that were not included in the calculation of diluted earnings per share because they did not have dilutive effect. | — | — |

[Note 4] Net assets per share are calculated under the following calculation basis.

| | Fiscal 2021 As of March 31, 2021 | Fiscal 2022 As of March 31, 2022 |
|---|--|--|
| Total amount in net assets (million yen) | 44,723 | 48,746 |
| Amount deducted from the total amount in net assets (million yen) | 1,574 | 246 |
| Non-controlling interests (million yen) | 1,574 | 246 |
| Net assets at the end of the fiscal year on common stock (million yen) | 43,149 | 48,500 |
| Number of common shares at the end of the fiscal year used in the calculation of net assets per share (thousand shares) | 54,898 | 54,206 |

Significant Subsequent Events

Not applicable.

4. Other

Sales Turnover based on Business Composition under Medium- to Long-Term Business Plan ZGP25

[Unit: million yen]

| Business composition | Fiscal 2021 | Fiscal 2022 | Main items |
|-----------------------------|-------------|-------------|--|
| Product business | 15,083 | 15,678 | (for corporate customers) Printed residential maps, BLUE MAPS GIS Package products, Residential map data |
| Public Solution business | 7,756 | 7,468 | (for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases |
| Map Design business | 992 | 1,105 | Special-purpose maps, Map design stationary "mati mati" series, Original map design goods, Printed books |
| Automotive business | 13,681 | 14,667 | Data contents for Japanese in-car navigation systems, High-precision 3D data for AD/ADAS |
| IoT business | 14,189 | 14,221 | Services for smartphones, Map data for internet services, Provision of location based services |
| Marketing Solution business | 5,521 | 5,910 | Provision of Marketing Solution, General commercial printing |
| Total | 57,225 | 59,053 | |

[Note] While figures for fiscal 2022 reflect the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., figures for fiscal 2021 are those computed prior to the application of the said accounting standard, etc. Therefore, the increase (decrease) amounts and rates (%) are not stated.