



Financial Summary for the First Quarter of Fiscal 2023 [Japanese GAAP] [Consolidated]

July 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 submission of quarterly securities report: July 29, 2022
 Scheduled date of commencement of dividend payments: —
 Preparation of supplementary explanatory materials on quarterly results: Yes
 Holding of briefing session on quarterly results: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results of Operations in the First Quarter of Fiscal 2023

ZENRIN's the first quarter of fiscal 2023 is the period from April 1, 2022 to June 30, 2022.

(1) Consolidated Business Performance [cumulative]

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
The first quarter of fiscal 2023	12,254	0.1	(923)	—	(806)	—	(536)	—
The first quarter of fiscal 2022	12,243	—	(413)	—	(346)	—	(298)	—

[Note] Comprehensive income The first quarter of fiscal 2023: (608) million yen [—%]
 The first quarter of fiscal 2022: (290) million yen [—%]

	Earnings per share	Diluted earnings per share
	yen	yen
The first quarter of fiscal 2023	(9.90)	—
The first quarter of fiscal 2022	(5.45)	—

[Note] As 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, the amounts for the said quarter 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
	million yen	million yen	%
The first quarter of fiscal 2023	75,498	47,401	62.5
Fiscal 2022	79,164	48,746	61.3

[Reference] Equity The first quarter of fiscal 2023: 47,187 million yen Fiscal 2022: 48,500 million yen

2. Dividends

	Annual dividend				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal 2022	—	12.50	—	13.50	26.00
Fiscal 2023	—				
Fiscal 2023 [forecast]		13.50	—	13.50	27.00

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

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 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
The first 2 quarters	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

[Note] Revision from most recently announced forecast for results of operations: None

1. Qualitative Information on Quarterly Results

(1) Explanation of Business Performance

In the first quarter of fiscal 2023 (from April 1, 2022 to June 30, 2022), the Japanese economy as a whole showed signs of recovery, while the economy still remained in a harsh condition with such factors as the continued global shortage in supply of semiconductors and surging resource prices caused by the Russia-Ukraine situation.

In such an environment, in regard to net sales, sales of data for in-car navigation systems in the automotive-related business decreased while sales of IoT-related solution services, etc. increased.

In terms of costs, expenses for developing map databases following improvement in precision of location data increased, and personnel expenses also increased due partly to the recording of provision for bonuses. In addition, expenses for sales activities also increased amid the trend of economic and social activities returning to normal.

As a result, the ZENRIN Group in the first quarter of fiscal 2023 reported net sales of 12,254 million yen (increased 11 million yen, or up 0.1%, compared to the same period of the previous fiscal year), operating loss of 923 million yen (downturn of 510 million yen compared to the same period of the previous fiscal year), ordinary loss of 806 million yen (downturn of 460 million yen compared to the same period of the previous fiscal year). In addition, loss attributable to owners of parent was 536 million yen (downturn of 237 million yen compared to the same period of the previous fiscal year).

Please note that past net sales of the ZENRIN Group have shown trends of large seasonal fluctuations and sales concentrating in the fourth quarter.

It should be noted that, information by business segment is omitted because the ZENRIN Group's reportable segment is a single segment.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of fiscal 2023 amounted to 75,498 million yen (decreased 3,665 million yen, or down 4.6%, compared to the end of the previous fiscal year). This was mainly attributable to the decrease in notes and accounts receivable - trade, and contract assets due to the effects of seasonal fluctuations.

Liabilities amounted to 28,097 million yen (decreased 2,320 million yen, or down 7.6%, compared to the end of the previous fiscal year). This was mainly attributable to a decrease in accounts payable - trade due to payment and a decrease in income taxes payable due to tax payment, which offset an increase in advances received.

Net assets amounted to 47,401 million yen (decreased 1,345 million yen, or down 2.8%, compared to the end of the previous fiscal year). This was mainly due to the recording of loss attributable to owners of parent and dividends of surplus.

As a result, the ratio of equity to total assets at the end of the first quarter of fiscal 2023 was 62.5% (up 1.2 points compared to the end of the previous fiscal year).

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

The forecast for the results of operations for the first six months of fiscal 2023 and the full-year forecast remain unchanged from the forecast announced on April 28, 2022.

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

[Unit: million yen]

	Fiscal 2022 As of March 31, 2022	The first quarter of fiscal 2023 As of June 30, 2022
Assets		
Current assets		
Cash and deposits	16,857	17,557
Notes and accounts receivable - trade, and contract assets	12,593	8,184
Electronically recorded monetary claims – operating	106	137
Securities	5	6
Merchandise and finished goods	962	939
Work in process	272	594
Raw materials and supplies	109	117
Other	1,363	1,656
Allowance for doubtful accounts	(4)	(3)
Total current assets	32,267	29,189
Non-current assets		
Property, plant and equipment	13,194	12,858
Intangible assets		
Goodwill	278	251
Software	9,958	10,766
Other	3,871	2,945
Total intangible assets	14,108	13,963
Investments and other assets		
Investment securities	12,339	12,019
Other	7,358	7,572
Allowance for doubtful accounts	(105)	(105)
Total investments and other assets	19,593	19,486
Total non-current assets	46,896	46,308
Total assets	79,164	75,498

[Unit: million yen]

	Fiscal 2022 As of March 31, 2022	The first quarter of fiscal 2023 As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable – trade	3,153	1,705
Short-term loans payable	2,066	1,306
Current portion of bonds payable	8,047	8,035
Income taxes payable	1,153	452
Advances received	6,662	8,004
Provision for directors' bonuses	124	13
Asset retirement obligations	10	–
Other	7,118	6,855
Total current liabilities	28,337	26,373
Non-current liabilities		
Long-term loans payable	18	18
Provision for directors' retirement benefits	128	104
Provision for management board benefit trust	50	39
Net defined benefit liability	281	276
Asset retirement obligations	67	67
Other	1,532	1,217
Total non-current liabilities	2,079	1,724
Total liabilities	30,417	28,097
Net assets		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	12,484	12,484
Retained earnings	26,084	24,812
Treasury shares	(4,062)	(4,062)
Total shareholders' equity	41,064	39,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,306	6,217
Foreign currency translation adjustment	155	231
Remeasurements of defined benefit plans	973	947
Total accumulated other comprehensive income	7,435	7,396
Non-controlling interests	246	213
Total net assets	48,746	47,401
Total liabilities and net assets	79,164	75,498

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

[Unit: million yen]

	The first quarter of fiscal 2022 From: April 1, 2021 To: June 30, 2021	The first quarter of fiscal 2023 From: April 1, 2022 To: June 30, 2022
Net sales	12,243	12,254
Cost of sales	7,595	7,792
Gross profit	4,647	4,462
Selling, general and administrative expenses		
Personnel expenses	2,881	3,144
Provision for directors' bonuses	7	9
Retirement benefit expenses	75	65
Provision of allowance for doubtful accounts	—	0
Other	2,096	2,165
Total selling, general and administrative expenses	5,060	5,385
Operating loss	(413)	(923)
Non-operating income		
Interest income	1	1
Dividend income	39	46
Foreign exchange gains	—	34
Other	62	48
Total non-operating income	103	130
Non-operating expenses		
Interest expenses	2	1
Foreign exchange losses	25	—
Non-deductible consumption taxes	—	4
Other	8	7
Total non-operating expenses	36	13
Ordinary loss	(346)	(806)
Extraordinary income		
Gain on sales of investment securities	—	874
Other	—	10
Total extraordinary income	—	885
Extraordinary losses		
Loss on sales and retirement of non-current assets	7	4
Loss on valuation of investment securities	2	391
Loss on liquidation of subsidiaries	—	200
Total extraordinary losses	9	596
Loss before income taxes	(355)	(517)
Income taxes – current	122	397
Income taxes – deferred	(141)	(346)
Total income taxes	(19)	50
Loss	(336)	(568)
Loss attributable to non-controlling interests	(37)	(32)
Loss attributable to owners of parent	(298)	(536)

Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	The first quarter of fiscal 2022 From: April 1, 2021 To: June 30, 2021	The first quarter of fiscal 2023 From: April 1, 2022 To: June 30, 2022
Loss	(336)	(568)
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	(89)
Foreign currency translation adjustment	78	76
Remeasurements of defined benefit plans, net of tax	(8)	(26)
Total other comprehensive income	46	(39)
Comprehensive income	(290)	(608)
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	(252)	(576)
Comprehensive income attributable to non-controlling interests	(37)	(32)

(3) Notes to Quarterly Consolidated Financial Statements

Notes on the Going Concern Assumption

Not applicable.

Notes in the Event of Material Change in the Amount of Shareholders' Equity

Not applicable.

Changes in Significant Subsidiaries in the First Quarter of Fiscal 2023

Not applicable.

ZENRIN USA, INC., which was our consolidated subsidiary, was absorbed by our consolidated subsidiary Abalta Technologies, Inc. through merger on January 1, 2022 in the previous fiscal year, which does not fall under the category of a change to a specified subsidiary company. As a result, ZENRIN USA, INC. has been excluded from the scope of consolidation starting from the first quarter of the fiscal year under review.

Changes in Accounting Policies

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter "Fair Value Measurement Standard Implementation Guidance") from the beginning of the first quarter of the fiscal year under review, and plans to prospectively apply the new accounting policy determined by the Fair Value Measurement Standard Implementation Guidance in accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Standard Implementation Guidance. The application has no impact on the Company's quarterly consolidated financial statements.

3. Supplementary Information

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

Business category	The first quarter of fiscal 2022	The first quarter of fiscal 2023	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	3,509	3,471	(37)	(1.1)	(for corporate customers and consumers) Printed residential maps, BLUE MAPS GIS Package products, Residential map data Special-purpose maps, Products of map design brands
Public Solution business	1,075	1,059	(15)	(1.4)	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Marketing Solution business	1,392	1,453	61	4.4	Provision of Marketing Solution, General commercial printing
IoT business	3,010	3,221	211	7.0	Services for smartphones, Map data for internet services, Provision of location-based services and solutions
Automotive business	3,256	3,047	(208)	(6.4)	Data contents for in-car navigation systems, High-precision 3D data for AD/ADAS
Total	12,243	12,254	11	0.1	

[Note] The business composition under the Medium- to Long-Term Business Plan ZGP25 has been reclassified starting from the first quarter of the fiscal year under review, and the figures for the Map Design business for the first quarter of fiscal 2022 is included in those for the Product business.