



## Financial Summary for the First 2 Quarters of Fiscal 2023 [Japanese GAAP] [Consolidated]

October 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: October 31, 2022  
 Scheduled date of commencement of dividend payments: —  
 Preparation of supplementary explanatory materials on quarterly results: Yes  
 Holding of briefing session on quarterly results: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results of Operations in the First 2 Quarters of Fiscal 2023

*ZENRIN's the first 2 quarters of fiscal 2023 is the period from April 1, 2022 to September 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 2 quarters of fiscal 2023	25,929	0.2	(985)	—	(982)	—	(703)	—
The first 2 quarters of fiscal 2022	25,880	—	(456)	—	(322)	—	(80)	—

[Note] Comprehensive income The first 2 quarters of fiscal 2023: (514) million yen [ —%]  
 The first 2 quarters of fiscal 2022: (14) million yen [ —%]

	Earnings per share	Diluted earnings per share
	yen	yen
The first 2 quarters of fiscal 2023	(13.00)	—
The first 2 quarters of fiscal 2022	(1.47)	—

[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 second quarter of fiscal 2023	74,455	46,988	62.9
Fiscal 2022	79,164	48,746	61.3

[Reference] Equity The second quarter of fiscal 2023: 46,850 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	—	13.50	—	—	—
Fiscal 2023 [forecast]	—	—	—	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 represent the increase (decrease) compared to 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
Fiscal year	60,500	2.4	3,000	12.3	3,200	5.1	2,600	(28.9)	48.06

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

\*Disclaimer: This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Business Performance

In the first two quarters of fiscal 2023 (from April 1, 2022 to September 30, 2022), despite the re-spread of COVID19 infection, the Japanese economy showed signs of recovery in socioeconomic activities due to the easing of activities and movement restrictions and other factors.

On the other hand, economy still remained in a harsh condition with such factors as exchange rate fluctuations with a rapid yen depreciation, the continued global shortage in supply of semiconductors and surging resource and energy 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 mainly due to the impact of automobile production adjustments, while sales of IoT-related solution services, etc. increased.

In terms of costs, there was an increase in cost of sales due to changes in the composition of sales, as well as increase in expenses for developing map databases to improve precision of location data.

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 two quarters of fiscal 2023 reported net sales of 25,929 million yen (increased 49 million yen, or up 0.2%, compared to the same period of the previous fiscal year), operating loss of 985 million yen (downturn of 529 million yen compared to the same period of the previous fiscal year), ordinary loss of 982 million yen (downturn of 660 million yen compared to the same period of the previous fiscal year). In addition, loss attributable to owners of parent was 703 million yen (downturn of 623 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 second quarter of fiscal 2023 amounted to 74,455 million yen (decreased 4,708 million yen, or down 5.9%, 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 27,466 million yen (decreased 2,951 million yen, or down 9.7%, 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.

Net assets amounted to 46,988 million yen (decreased 1,757 million yen, or down 3.6%, 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 second quarter of fiscal 2023 was 62.9% (up 1.6 points compared to the end of the previous fiscal year).

The following outlines the status of cash flows in the first two quarters of fiscal 2023.

Cash and cash equivalents at the end of the second quarter of fiscal 2023 were 15,113 million yen (decreased 1,341 million yen, or down 8.2%, compared to the end of the previous fiscal year)

#### ***Cash Flows from Operating Activities***

Net cash provided by operating activities amounted to 1,830 million yen (decreased 2,944 million yen compared to the same period of the previous fiscal year). This was attributable to loss before income taxes in the amount of 699 million yen, income taxes paid in the amount of 1,039 million yen, a decrease in trade payables in the amount of 910 million yen, and other factors of decrease being offset by a decrease in notes and accounts receivables in the amount of 4,027 million yen and other factors of increase.

***Cash Flows from Investing Activities***

Net cash used in investing activities amounted to 1,397 million yen (decreased 1,951 million compared to the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets in the amount of 2,747 million yen, despite proceeds from sale of property, plant and equipment in the amount of 1,232 million yen.

***Cash Flows from Financing Activities***

Net cash used in financing activities amounted to 2,027 million yen (decreased 1,383 million yen compared to the same period of the previous fiscal year). This was mainly attributable to the dividends paid in the amount of 734 million yen, repayments of long-term borrowings in the amount of 553 million yen and purchase of treasury shares in the amount of 434 million yen.

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

The Company has decided to keep the full-year forecast for the fiscal 2023 announced on April 28, 2022, since there are many uncertainties in the environment surrounding ZENRIN group, such as automobile production adjustments due to global semiconductor supply shortages.

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

[Unit: million yen]

	Fiscal 2022 As of March 31, 2022	The second quarter of fiscal 2023 As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	16,857	15,119
Notes and accounts receivable - trade, and contract assets	12,593	8,599
Electronically recorded monetary claims – operating	106	138
Securities	5	6
Merchandise and finished goods	962	806
Work in process	272	871
Raw materials and supplies	109	94
Other	1,363	1,494
Allowance for doubtful accounts	(4)	(3)
Total current assets	32,267	27,126
Non-current assets		
Property, plant and equipment	13,194	13,292
Intangible assets		
Goodwill	278	316
Software	9,958	10,224
Other	3,871	3,626
Total intangible assets	14,108	14,166
Investments and other assets		
Investment securities	12,339	12,376
Other	7,358	7,598
Allowance for doubtful accounts	(105)	(105)
Total investments and other assets	19,593	19,870
Total non-current assets	46,896	47,328
Total assets	79,164	74,455

[Unit: million yen]

	Fiscal 2022 As of March 31, 2022	The second quarter of fiscal 2023 As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	3,153	2,276
Short-term loans payable	2,066	1,551
Current portion of bonds payable	8,047	8,023
Income taxes payable	1,153	567
Provision for directors' bonuses	124	22
Asset retirement obligations	10	–
Other	13,781	13,151
Total current liabilities	28,337	25,592
Non-current liabilities		
Long-term loans payable	18	31
Provision for directors' retirement benefits	128	104
Provision for management board benefit trust	50	39
Net defined benefit liability	281	282
Asset retirement obligations	67	67
Other	1,532	1,347
Total non-current liabilities	2,079	1,873
Total liabilities	30,417	27,466
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	12,484	12,451
Retained earnings	26,084	24,645
Treasury shares	(4,062)	(4,478)
Total shareholders' equity	41,064	39,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,306	6,358
Foreign currency translation adjustment	155	394
Remeasurements of defined benefit plans	973	921
Total accumulated other comprehensive income	7,435	7,674
Non-controlling interests	246	138
Total net assets	48,746	46,988
Total liabilities and net assets	79,164	74,455

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

[Unit: million yen]

	The first 2 quarters of fiscal 2022 From: April 1, 2021 To: September 30, 2021	The first 2 quarters of fiscal 2023 From: April 1, 2022 To: September 30, 2022
Net sales	25,880	25,929
Cost of sales	15,786	16,219
Gross profit	10,093	9,710
Selling, general and administrative expenses		
Personnel expenses	6,291	6,289
Provision for directors' bonuses	17	22
Retirement benefit expenses	151	130
Provision of allowance for doubtful accounts	—	1
Other	4,088	4,251
Total selling, general and administrative expenses	10,549	10,695
Operating loss	(456)	(985)
Non-operating income		
Interest income	4	3
Dividend income	40	47
Other	176	155
Total non-operating income	220	205
Non-operating expenses		
Interest expenses	4	4
Foreign exchange losses	57	88
Non-deductible consumption taxes	—	91
Other	24	18
Total non-operating expenses	86	203
Ordinary loss	(322)	(982)
Extraordinary income		
Gain on sale of non-current assets	—	893
Gain on sale of investment securities	23	—
Other	—	13
Total extraordinary income	23	906
Extraordinary losses		
Loss on sales and retirement of non-current assets	110	23
Loss on valuation of investment securities	2	391
Loss on liquidation of subsidiaries	—	208
Total extraordinary losses	113	622
Loss before income taxes	(411)	(699)
Income taxes – current	227	460
Income taxes – deferred	(518)	(407)
Total income taxes	(291)	53
Loss	(120)	(752)
Loss attributable to non-controlling interests	(39)	(49)
Loss attributable to owners of parent	(80)	(703)

**Quarterly Consolidated Statement of Comprehensive Income [cumulative]**

[Unit: million yen]

	The first 2 quarters of fiscal 2022 From: April 1, 2021 To: September 30, 2021	The first 2 quarters of fiscal 2023 From: April 1, 2022 To: September 30, 2022
Loss	(120)	(752)
Other comprehensive income		
Valuation difference on available-for-sale securities	54	51
Foreign currency translation adjustment	97	239
Remeasurements of defined benefit plans, net of tax	(16)	(52)
Total other comprehensive income	134	238
Comprehensive income	14	(514)
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	54	(465)
Comprehensive income attributable to non-controlling interests	(39)	(49)

**(3) Quarterly Consolidated Statement of Cash Flows**

[Unit: million yen]

	The first 2 quarters of fiscal 2022 From: April 1, 2021 To: September 30, 2021	The first 2 quarters of fiscal 2023 From: April 1, 2022 To: September 30, 2022
<b>Cash flows from operating activities</b>		
Loss before income taxes	(411)	(699)
Depreciation	2,503	2,489
Amortization of goodwill	78	57
Increase (decrease) in provision for bonuses for directors (and other officers)	(20)	(103)
Decrease (increase) in net defined benefit asset	(43)	(97)
Increase (decrease) in net defined benefit liability	5	1
Loss (gain) on valuation of investment securities	2	391
Interest and dividend income	(44)	(50)
Interest expenses	4	4
Loss (gain) on sales and retirement of non-current assets	110	(870)
Loss (gain) on sales of investment securities	(23)	—
Decrease (increase) in notes and accounts receivable – trade	4,997	4,027
Decrease (increase) in inventories	(239)	(425)
Increase (decrease) in notes and accounts payable – trade	(1,505)	(910)
Increase (decrease) in accrued expenses	23	(692)
Increase (decrease) in advances received	282	430
Increase (decrease) in accrued consumption taxes	(261)	(481)
Other	(460)	(255)
Subtotal	4,998	2,815
Interest and dividend income received	46	58
Interest expenses paid	(4)	(4)
Income taxes paid	(266)	(1,039)
Net cash provided by (used in) operating activities	4,774	1,830
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(31)	416
Proceeds from sale of property, plant and equipment	1	1,232
Purchase of property, plant and equipment and intangible assets	(2,695)	(2,747)
Purchase of investment securities	(485)	(340)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(97)	—
Other	(40)	40
Net cash provided by (used in) investing activities	(3,349)	(1,397)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	—	31
Repayments of long-term loans payable	(502)	(553)
Repayments of lease obligations	(189)	(245)
Purchase of treasury shares	(269)	(434)
Cash dividends paid	(689)	(734)
Dividends paid to non-controlling interests	(2)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,753)	—
Other	(4)	(90)
Net cash provided by (used in) financing activities	(3,411)	(2,027)
Effect of exchange rate change on cash and cash equivalents	47	253
Net increase (decrease) in cash and cash equivalents	(1,939)	(1,341)
Cash and cash equivalents at beginning of period	16,529	16,455
Cash and cash equivalents at end of period	14,590	15,113



**(4) 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 Second 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 2 quarters of fiscal 2022	The first 2 quarters of fiscal 2023	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	7,737	7,718	(18)	(0.2)	(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	2,514	2,522	7	0.3	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Marketing Solution business	2,757	2,869	111	4.0	Provision of Marketing Solution, General commercial printing
IoT business	6,079	6,558	479	7.9	Services for smartphones, Map data for internet services, Provision of location-based services and solutions
Automotive business	6,791	6,260	(530)	(7.8)	Data contents for in-car navigation systems, High-precision 3D data for AD/ADAS
Total	25,880	25,929	49	0.2	

[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 second quarter of fiscal 2022 is included in those for the Product business.