



Financial Summary for the First 3 Quarters of Fiscal 2023 [Japanese GAAP] [Consolidated]

January 31, 2023

Name of listed company **ZENRIN CO., LTD.** Stock exchange listings: Tokyo and Fukuoka
 Securities code 9474 URL <https://www.zenrin.co.jp/>
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 Scheduled date of submission of quarterly securities report: February 1, 2023
 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 3 Quarters of Fiscal 2023

ZENRIN's the first 3 quarters of fiscal 2023 is the period from April 1, 2022 to December 31, 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 3 quarters of fiscal 2023	40,210	0.6	(851)	—	(643)	—	180	(91.3%)
The first 3 quarters of fiscal 2022	39,990	—	61	—	321	—	2,067	—

[Note] Comprehensive income The first 3 quarters of fiscal 2023: (1,870) million yen [—%]
 The first 3 quarters of fiscal 2022: 8,113 million yen [—%]

	Earnings per share	Diluted earnings per share
	yen	yen
The first 3 quarters of fiscal 2023	3.34	2.75
The first 3 quarters of fiscal 2022	37.79	35.55

[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 third quarter of fiscal 2023	70,309	44,902	63.7
Fiscal 2022	79,164	48,746	61.3

[Reference] Equity The third quarter of fiscal 2023: 44,778 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]

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
	60,500	2.4	3,000	12.3	3,200	5.1	2,600	(28.9)	48.16

[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 three quarters of fiscal 2023 (from April 1 to December 31, 2022), the Japanese economy saw a return to normal conditions. Despite a resurgence in the COVID-19 pandemic, restrictions on behavior eased, enabling moves toward normalization of socioeconomic activity. Internationally, shortfalls in supply of semiconductors continued worldwide, while high energy and raw-material prices and rapid depreciation of the Japanese yen raised the cost of living. Concerns about long-term interest rates also mounted. The future outlook remains as uncertain as ever.

Net sales presented a mixed picture. In the automotive-related business, sales of data for in-car navigation systems continued the decline seen in the first two quarters, impacted by adjustments in automobile production. On the other hand, in IoT-related business and marketing solutions-related business, orders received 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. Moreover, factors such as the normalization of socioeconomic activity and rising cost of energy and raw materials caused operating expenses to grow.

As a result, the ZENRIN Group in the first three quarters of fiscal 2023 reported net sales of 40,210 million yen (increased 220 million yen, or up 0.6%, compared to the same period of the previous fiscal year), operating loss of 851 million yen (downturn of 913 million yen compared to the same period of the previous fiscal year), ordinary loss of 643 million yen (downturn of 965 million yen compared to the same period of the previous fiscal year). Profit attributable to owners of parent declined 180 million yen from the previous fiscal year (decreased 1,887 million yen, or down 91.3%, compared to the same period of the previous fiscal year). Contributing factors include appropriation of extraordinary income from gain on sale of non-current assets and gain on sale of investment in capital of subsidiaries.

Reasons for the decline in profit attributable to owners of parent in comparison with the same period of the previous fiscal year include appropriation of extraordinary income from sale of investment securities in 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 third quarter of fiscal 2023 under review were 70,309 million yen (decreased 8,854 million yen, or down 11.2%, compared to the end of the previous fiscal year). Contributing factors include declines in notes receivable, accounts receivable and contract assets as a result of seasonal fluctuations, as well as declines in market valuation of investment securities.

Liabilities were 25,406 million yen (decreased 5,010 million yen, or down 16.5%, compared to the end of the previous fiscal year). Contributing factors include a decline in accounts payable as a result of seasonal fluctuations, as well as declines in short-term loans payable and income tax payable.

Net assets were 44,902 million yen (decreased 3,843 million yen, or down 7.9%, compared to the end of the previous fiscal year). Although profit attributable to owners of parent was appropriated, dividends on earned surplus and loss on valuation of marketable securities from market valuation both declined.

As a result, the ratio of equity to total assets at the end of the third quarter of fiscal 2023 was 63.7% (up 2.4 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 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 third quarter of fiscal 2023 As of December 31, 2022
Assets		
Current assets		
Cash and deposits	16,857	14,460
Notes and accounts receivable - trade, and contract assets	12,593	8,676
Electronically recorded monetary claims – operating	106	193
Securities	5	7
Merchandise and finished goods	962	874
Work in process	272	1,045
Raw materials and supplies	109	93
Other	1,363	1,667
Allowance for doubtful accounts	(4)	(3)
Total current assets	32,267	27,014
Non-current assets		
Property, plant and equipment	13,194	13,156
Intangible assets		
Goodwill	278	284
Software	9,958	11,152
Other	3,871	2,567
Total intangible assets	14,108	14,003
Investments and other assets		
Investment securities	12,339	10,026
Other	7,358	6,209
Allowance for doubtful accounts	(105)	(101)
Total investments and other assets	19,593	16,134
Total non-current assets	46,896	43,294
Total assets	79,164	70,309

[Unit: million yen]

	Fiscal 2022	The third quarter of fiscal 2023
	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable – trade	3,153	1,994
Short-term loans payable	2,066	889
Current portion of bonds payable	8,047	8,011
Income taxes payable	1,153	441
Provision for directors' bonuses	124	31
Asset retirement obligations	10	–
Other	13,781	12,842
Total current liabilities	28,337	24,210
Non-current liabilities		
Long-term loans payable	18	30
Provision for directors' retirement benefits	128	104
Provision for management board benefit trust	50	39
Net defined benefit liability	281	271
Asset retirement obligations	67	67
Other	1,532	683
Total non-current liabilities	2,079	1,196
Total liabilities	30,417	25,406
Net assets		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	12,484	12,451
Retained earnings	26,084	24,799
Treasury shares	(4,062)	(4,478)
Total shareholders' equity	41,064	39,330
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,306	4,504
Foreign currency translation adjustment	155	222
Remeasurements of defined benefit plans	973	721
Total accumulated other comprehensive income	7,435	5,448
Non-controlling interests	246	123
Total net assets	48,746	44,902
Total liabilities and net assets	79,164	70,309

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

[Unit: million yen]

	The first 3 quarters of fiscal 2022 From: April 1, 2021 To: December 31, 2021	The first 3 quarters of fiscal 2023 From: April 1, 2022 To: December 31, 2022
Net sales	39,990	40,210
Cost of sales	24,137	25,006
Gross profit	15,852	15,204
Selling, general and administrative expenses		
Personnel expenses	9,297	9,443
Provision for directors' bonuses	25	32
Retirement benefit expenses	223	200
Provision of allowance for doubtful accounts	—	2
Other	6,245	6,376
Total selling, general and administrative expenses	15,791	16,056
Operating profit (loss)	61	(851)
Non-operating income		
Interest income	6	4
Dividend income	60	82
Other	288	247
Total non-operating income	355	334
Non-operating expenses		
Interest expenses	6	7
Non-deductible consumption taxes	—	92
Foreign exchange losses	69	—
Other	19	25
Total non-operating expenses	95	126
Ordinary profit (loss)	321	(643)
Extraordinary income		
Gain on sale of non-current assets	0	893
Gain on sale of investments in capital of subsidiaries	—	436
Other	2,494	365
Total extraordinary income	2,495	1,695
Extraordinary losses		
Loss on sales and retirement of non-current assets	154	25
Impairment losses	19	13
Loss on valuation of investment securities	1	391
Loss on liquidation of subsidiaries	—	212
Total extraordinary losses	176	643
Profit before income taxes	2,640	408
Income taxes – current	538	611
Income taxes – deferred	78	(319)
Total income taxes	617	292
Profit	2,023	116
Loss attributable to non-controlling interests	(44)	(63)
Profit attributable to owners of parent	2,067	180

Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	The first 3 quarters of fiscal 2022 From: April 1, 2021 To: December 31, 2021	The first 3 quarters of fiscal 2023 From: April 1, 2022 To: December 31, 2022
Profit	2,023	116
Other comprehensive income		
Valuation difference on available-for-sale securities	5,997	(1,802)
Foreign currency translation adjustment	118	66
Remeasurements of defined benefit plans, net of tax	(25)	(252)
Total other comprehensive income	6,090	(1,987)
Comprehensive income	8,113	(1,870)
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	8,158	(1,806)
Comprehensive income attributable to non-controlling interests	(44)	(63)

(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 for the First 3 Quarters of Fiscal 2023

Not applicable.

ZENRIN USA, INC., a consolidated subsidiary of the Company, was absorbed by Abalta Technologies, Inc., a consolidated subsidiary of the Company, through merger on January 1, 2022, which did not fall under the category of a change to a specified subsidiary. 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.

On December 23, 2022, Daikei Data Processing Co., Ltd., a consolidated subsidiary of the Company, sold all holdings of Shanghai Daikei Data Processing Co., Ltd., a former consolidated subsidiary of the Company. In tandem with this sale, Shanghai Daikei Data Processing Co., Ltd. is excluded from the scope of consolidation in the third quarter of 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 3 quarters of fiscal 2022	The first 3 quarters of fiscal 2023	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	11,714	11,570	(144)	(1.2)	(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	4,159	4,156	(2)	(0.1)	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Marketing Solution business	4,286	4,648	362	8.4	Provision of Marketing Solution, General commercial printing
IoT business	9,433	10,059	625	6.6	Services for smartphones, Map data for internet services, Provision of location-based services and solutions
Automotive business	10,396	9,775	(620)	(6.0)	Data contents for in-car navigation systems, High-precision 3D data for AD/ADAS
Total	39,990	40,210	220	0.6	

[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 three quarters of fiscal 2022 is included in those for the Product business.