

# Briefing on Results for the First Quarter of Fiscal 2024

(Year Ending March 31, 2024)

July 31, 2023

**\*Note:**

This document contains forward-looking statements based on assumptions, forecasts and plans in light of information available to ZENRIN Co., Ltd. as of the preparation date of this document. Actual performance may vary significantly from the forecast figures due to various risks and uncertainties owing to global economic trends, market demand, status of competition, exchange fluctuations and other factors.

The information that appears in this document rounds down fractions to the nearest specified unit and rounds off decimals in the percentage of change to the first decimal place. In addition, cases where the percentage of change exceeds 1000% and cases where one or both of the items of comparison are negative are shown as “-.”

**\*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.

## I . Overview of Results for the First Quarter of Fiscal 2024

1. Overview of Results
2. Changes in Net Sales, Income and Profit
- 3-1. Causes for Change in Operating Income [Sales]
- 3-2. Causes for Change in Operating Income [Cost]
4. Changes in Net Sales by business
5. Amount of Capital Investment, Depreciation and R&D Cost

# 1. Overview of Results

## Key Points of Results for the First Quarter of Fiscal 2024

### 【 Increase in sales / Decrease in income and profit 】 (Compared to 1Q of FY2024)

#### Sales Result

- Sales of data for in-car navigation systems in the automotive-related business increased thanks to the recovery in automobile production in conjunction with the alleviation of the semiconductor shortage.
- Orders received from the national and local governments increased and there were more opportunities to provide residential map data, while orders received in the marketing solutions-related business also increased.

#### Expenses ▪ Profit and loss

- Increase in cost of sales due to the increase in revenue, as well as an increase in expenses for developing map databases to improve the precision of location data, the effects of the rising cost of living and wage hikes from the first quarter of fiscal 2024 resulted in an increase in operating expenses compared to the same period of the previous fiscal year. As a result, profits decreased for 2 consecutive periods.

\* These increases in operating expenses have already been incorporated in the forecast for the consolidated results of operations for fiscal 2024.

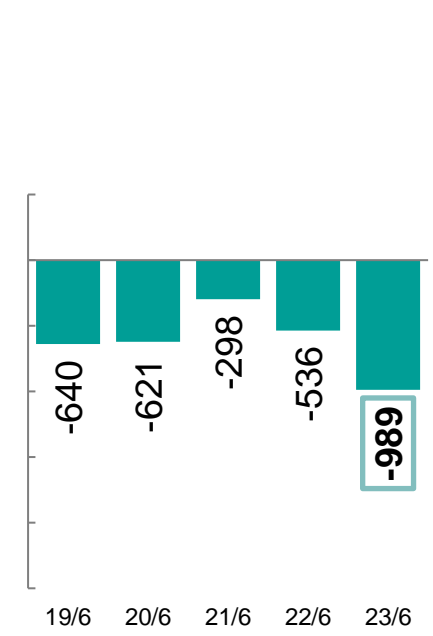
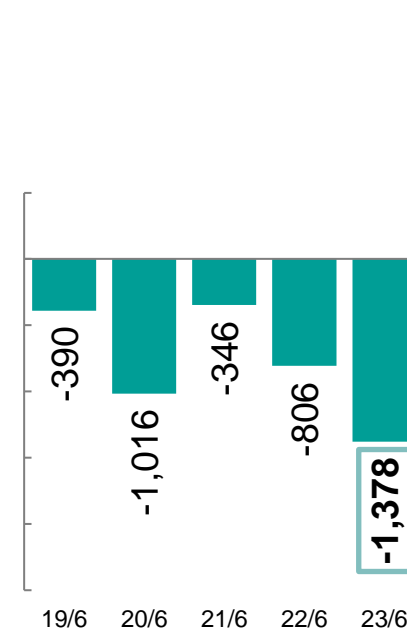
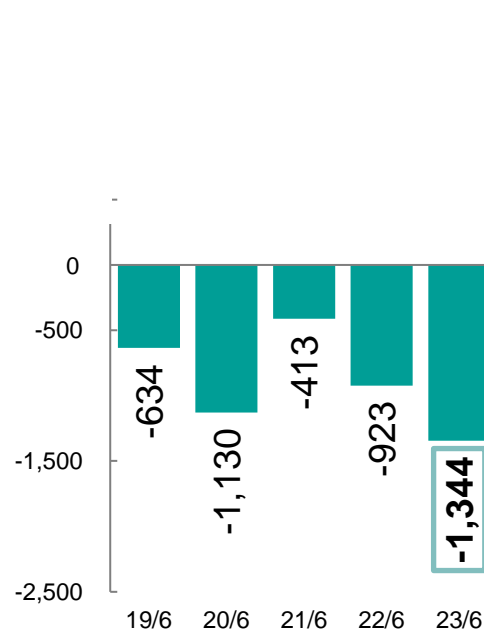
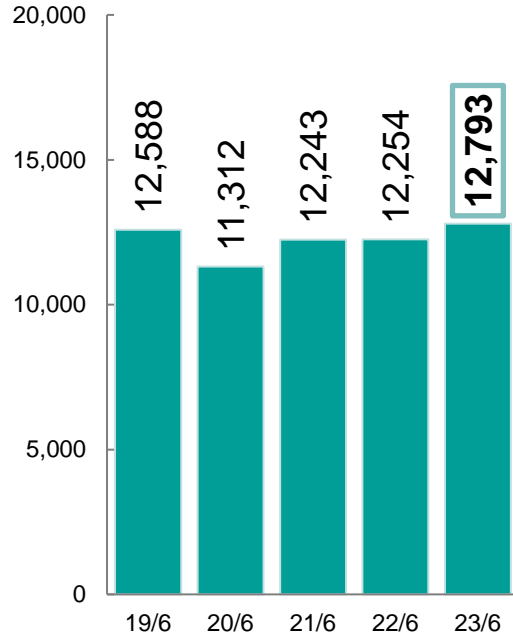
\* It should be noted that while fixed costs such as the expenses for developing map databases are incurred throughout the year, expenses generally precede net sales due to drastic seasonal fluctuations in which net sales tend to be concentrated in the fourth quarter.

(Amounts in million yen)

	1Q of FY2023	1Q of FY2024	Compared to 1Q of FY2023	
				% of Change
Net Sales	12,254	<b>12,793</b>	+539	+4.4
Operating Expenses	13,177	<b>14,137</b>	+959	+7.3
Operating Income	-923	<b>-1,344</b>	-420	-
Operating Margin	-7.5%	<b>-10.5%</b>	-3.0pt	-
Ordinary Income	-806	<b>-1,378</b>	-571	-
Profit Attributable to Owners of Parent	-536	<b>-989</b>	-453	-

## 2. Changes in Net Sales, Income and Profit

(Amounts in million yen)



### Net Sales

**+ 539 million yen**  
(+4.4%)

### Operating Income

**- 420 million yen**  
(-)

### Ordinary Income

**- 571 million yen**  
(-)

### Profit Attributable to Owners of Parent

**- 453 million yen**  
(-)

Compared to  
1Q of FY2023  
(% of Changes)

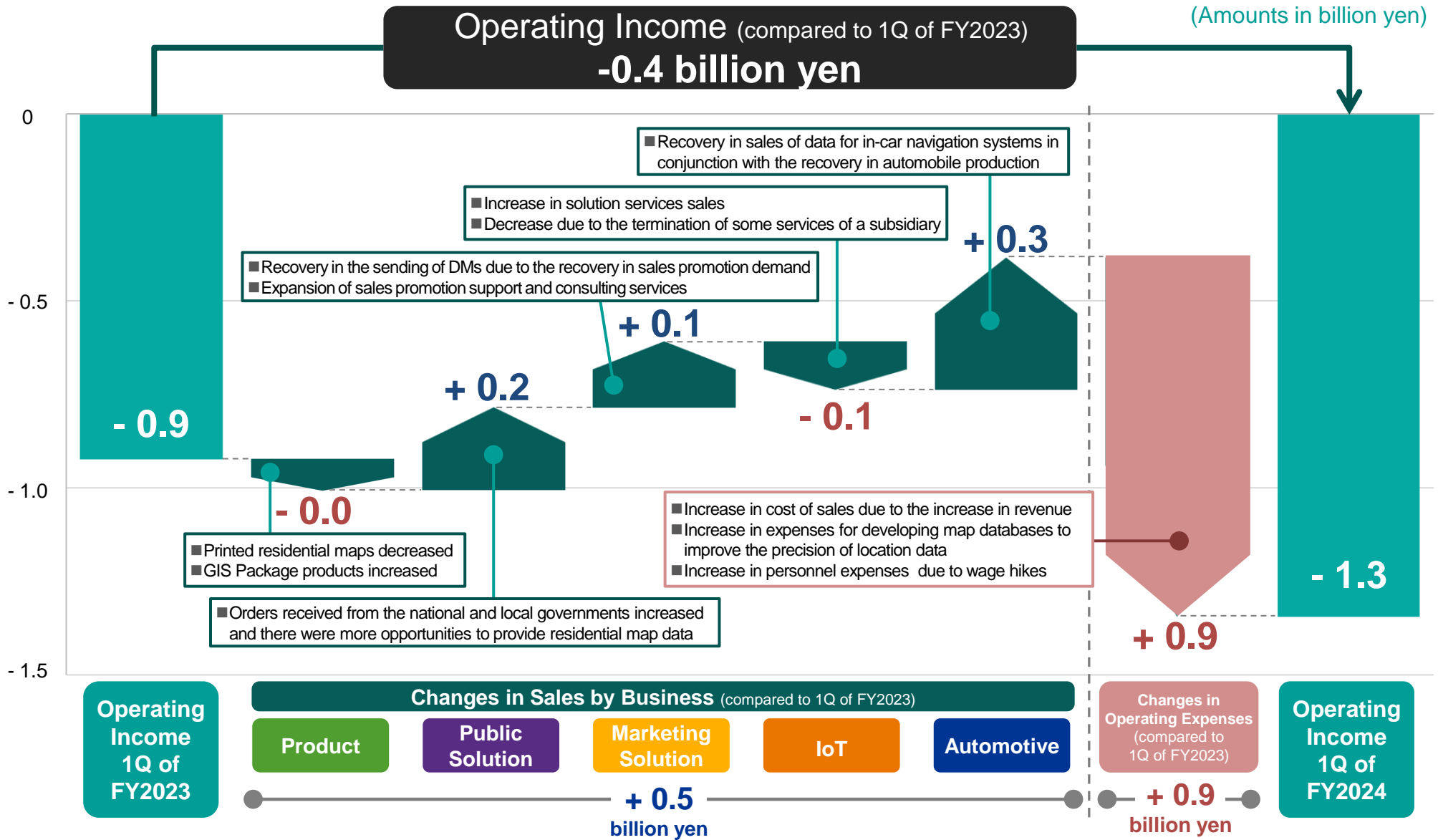
Increase in sales  
for 3 consecutive periods

Decrease in income and profit for 2 consecutive periods

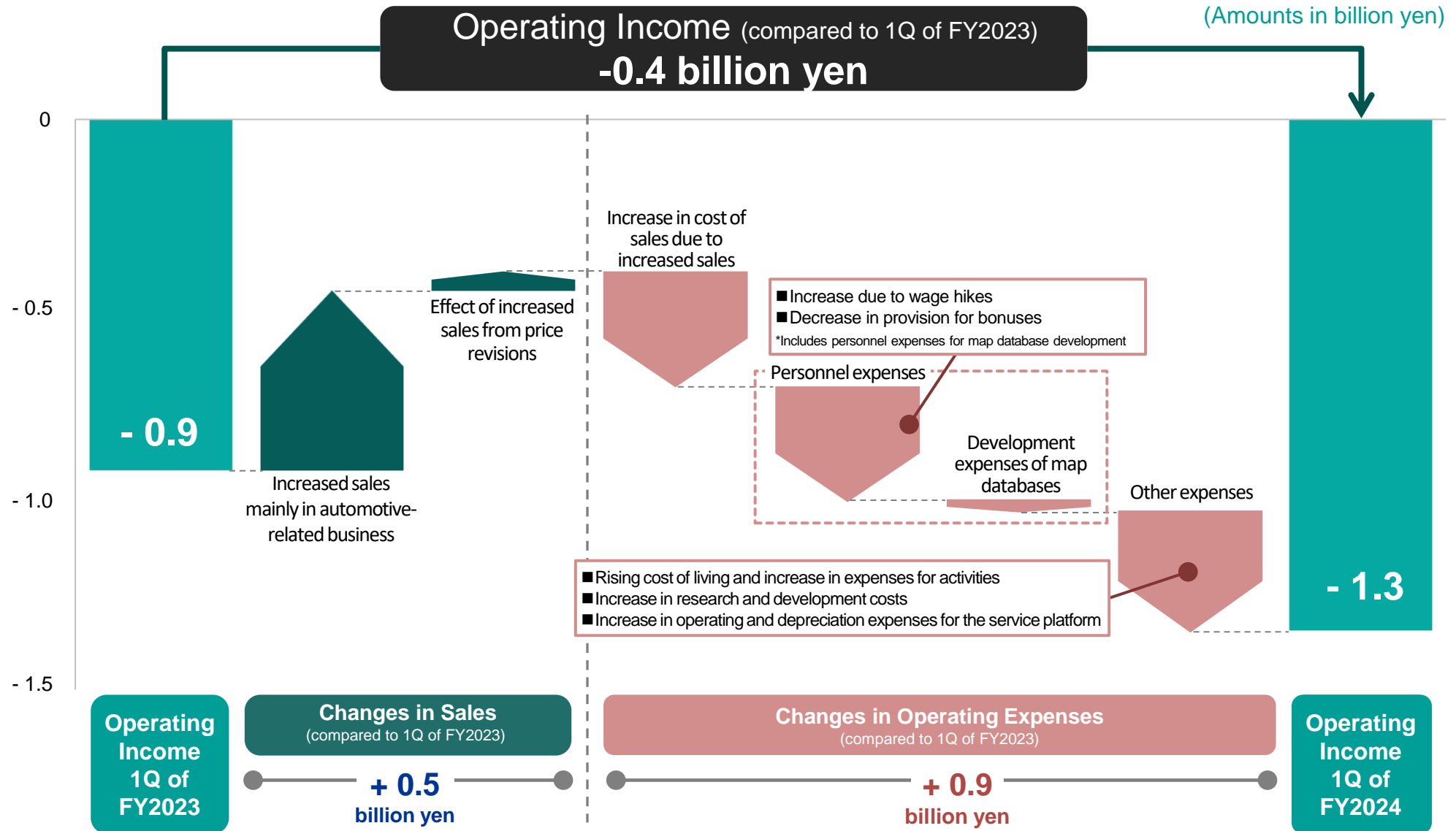
\*the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the first quarter of fiscal 2022.

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

### 3-1. Causes for Change in Operating Income [Sales]

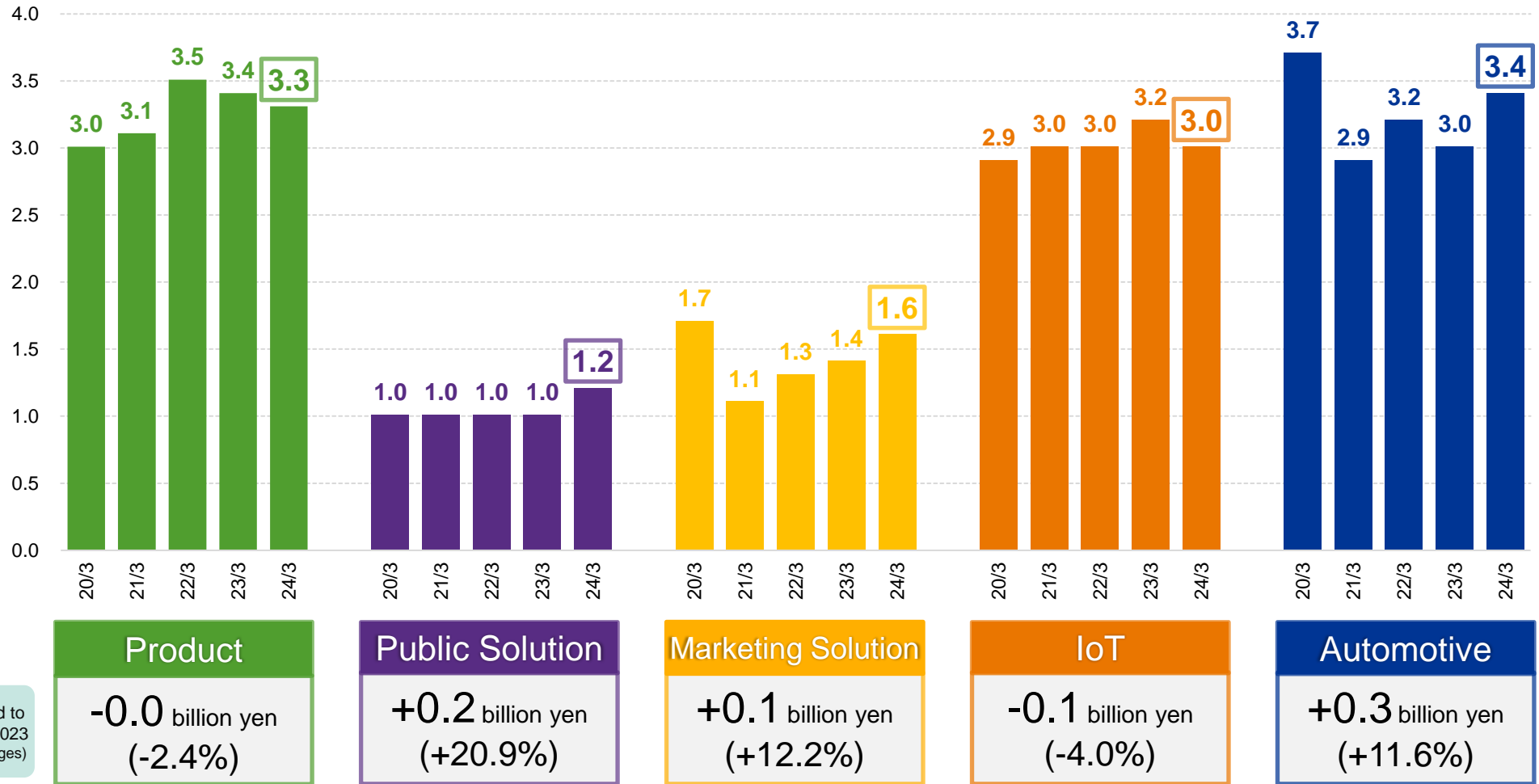


### 3-2. Causes for Change in Operating Income [Cost]



## 4. Changes in Net Sales by business

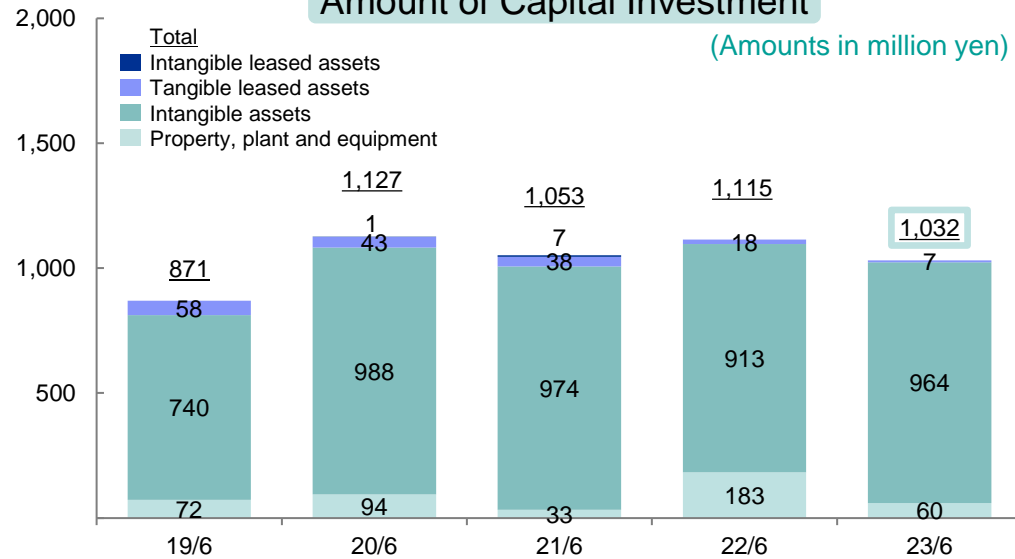
(Amounts in billion yen)



## 5. Amount of Capital Investment, Depreciation and R&D Cost

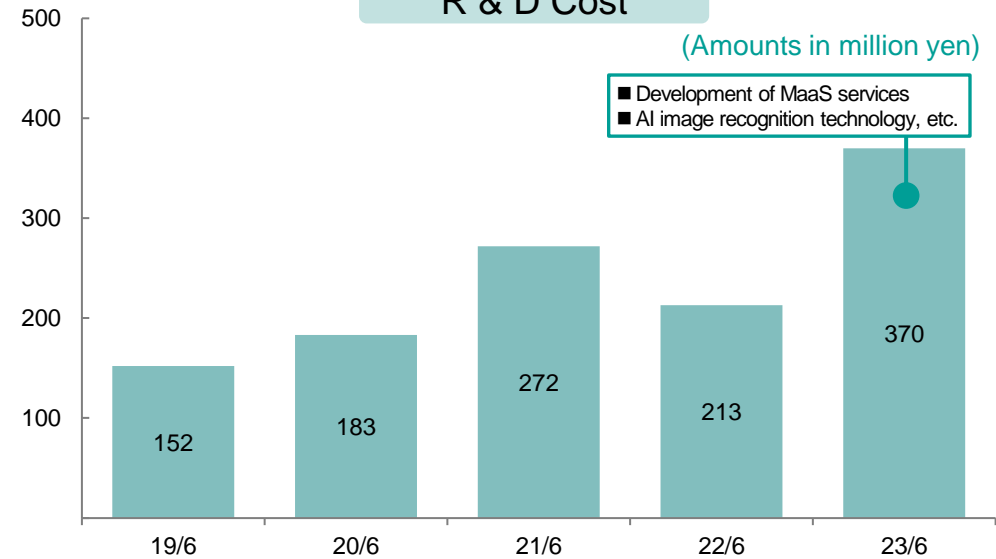
### Amount of Capital Investment

(Amounts in million yen)



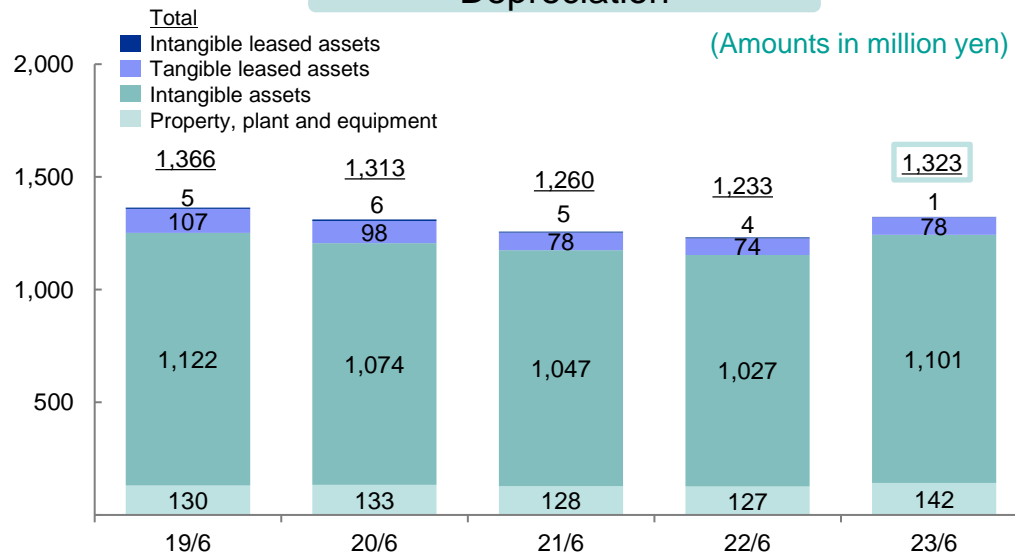
### R & D Cost

(Amounts in million yen)



### Depreciation

(Amounts in million yen)





## II . Appendix

1. Earnings Forecast for Fiscal 2024
2. Changes in Net Sales, Income and Profit
3. Assumptions for Earnings Forecasts for Fiscal 2024
4. Changes in Net Sales by business
5. Quarterly sales by business
6. Changes in Composition of Net Sales by Quarter

# 1. Earnings Forecast for Fiscal 2024

## Earnings Forecast for Fiscal 2024

The full-year forecast for the results of operations for fiscal 2024 remains unchanged from the forecast announced on April 28, 2023.

### Sales Result

- An increase in sales in the automotive-related business, in conjunction with the recovery trend in automobile production is expected, while efforts will continue to be made in expanding stock-type services such as GIS packages and solutions services.

### Expenses ▪ Profit and loss

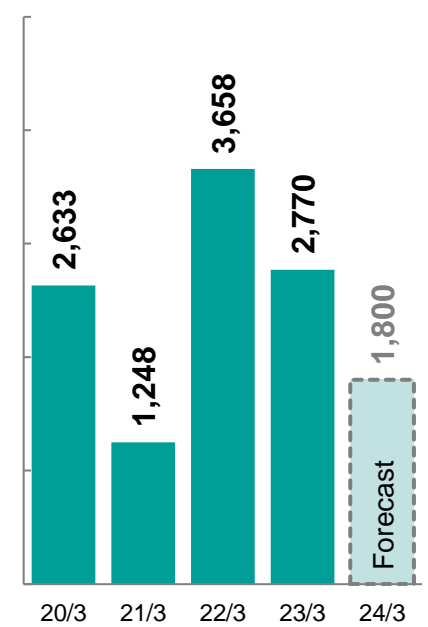
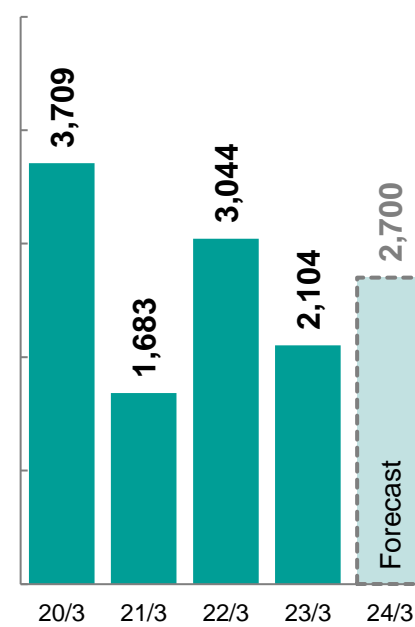
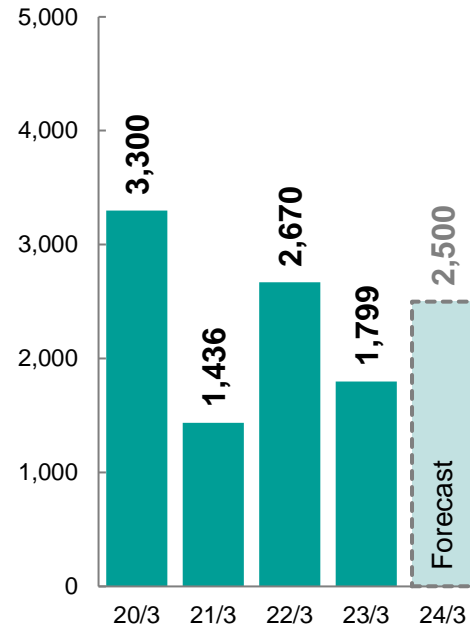
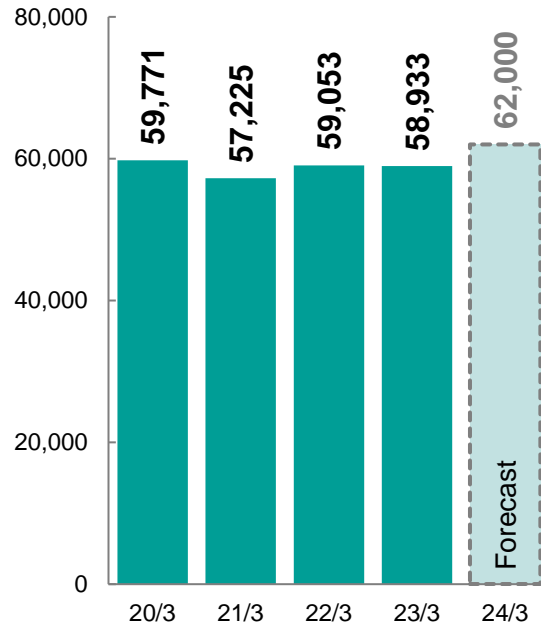
- As for expenses, high energy and raw material prices and increased personnel expenses due to higher wages are expected. Prices of products and services will also be revised (raised) gradually but its effect on the consolidated results for fiscal 2024 will be limited.
- Extraordinary income from gain on sales of investments securities and gain on sales of non-current assets was recorded in fiscal 2023 but is not expected to heavily impact extraordinary income in fiscal 2024. Accordingly, profit attributable to owners of parent will decrease compared to fiscal 2023.

(Amounts in million yen)

	FY2023 (Actual)	FY2024 (Forecast)	Compared to FY2023	
				% of Change
Net Sales	58,933	<b>62,000</b>	+3,066	+5.2
Operating Expenses	57,134	<b>59,500</b>	+2,365	+4.1
Operating Income	1,799	<b>2,500</b>	+700	+39.0
Operating Margin	3.1%	<b>4.0%</b>	+0.9pt	-
Ordinary Income	2,104	<b>2,700</b>	+595	+28.3
Profit Attributable to Owners of Parent	2,770	<b>1,800</b>	-970	-35.0

## 2. Changes in Net Sales, Income and Profit

(Amounts in million yen)



### Net Sales

**+ 3,066 million yen**  
(+ 5.2%)

### Operating Income

**+ 700 million yen**  
(+ 39.0%)

### Ordinary Income

**+ 595 million yen**  
(+ 28.3%)

### Profit Attributable to Owners of Parent

**- 970 million yen**  
(- 35.0%)

Compared to  
FY2023  
(% of Changes)

Increase in sales  
for the first time in 2 periods

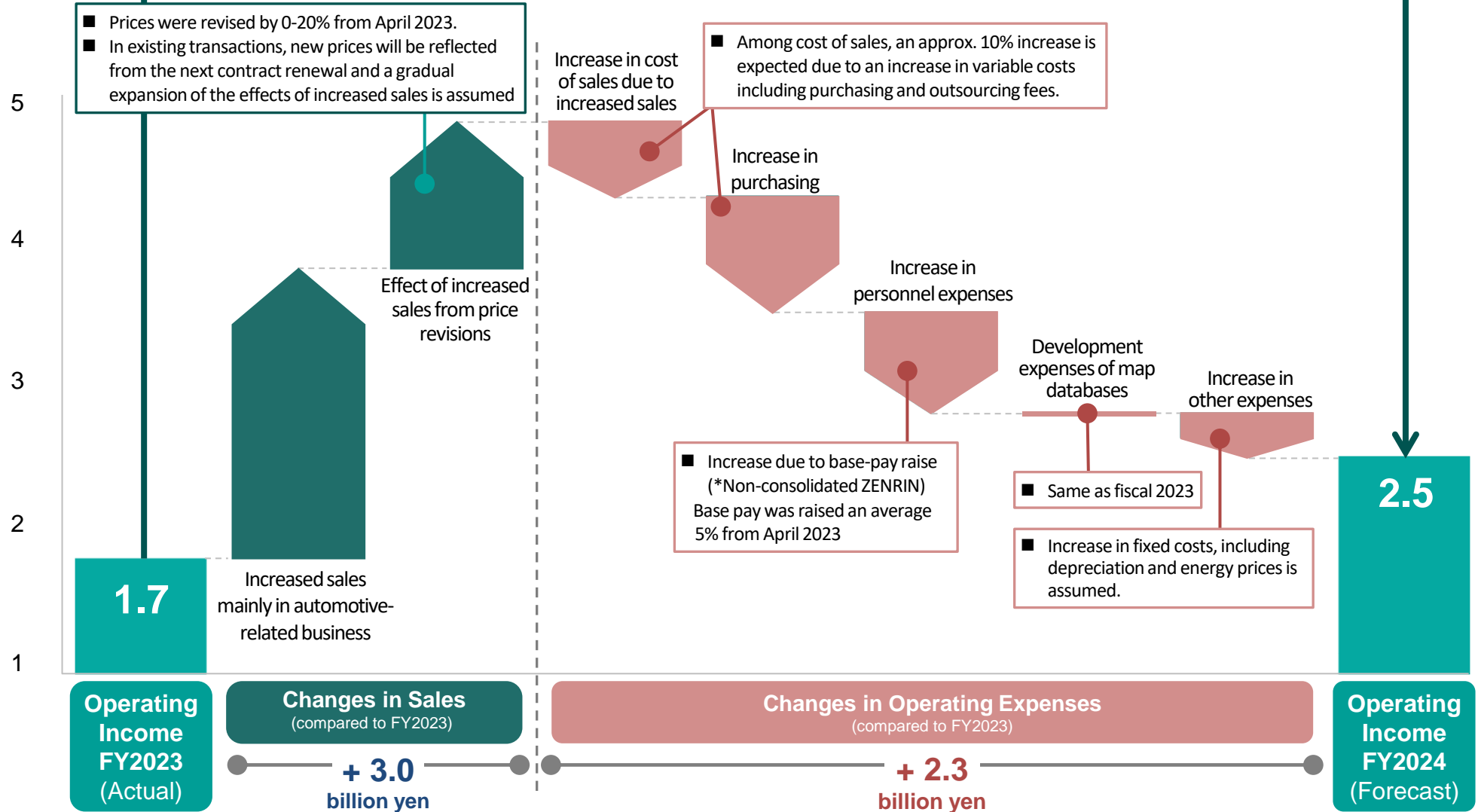
Increase in income for the first time in 2 periods

Decrease in profit  
for 2 consecutive periods

### 3. Assumptions for Earnings Forecasts for Fiscal 2024

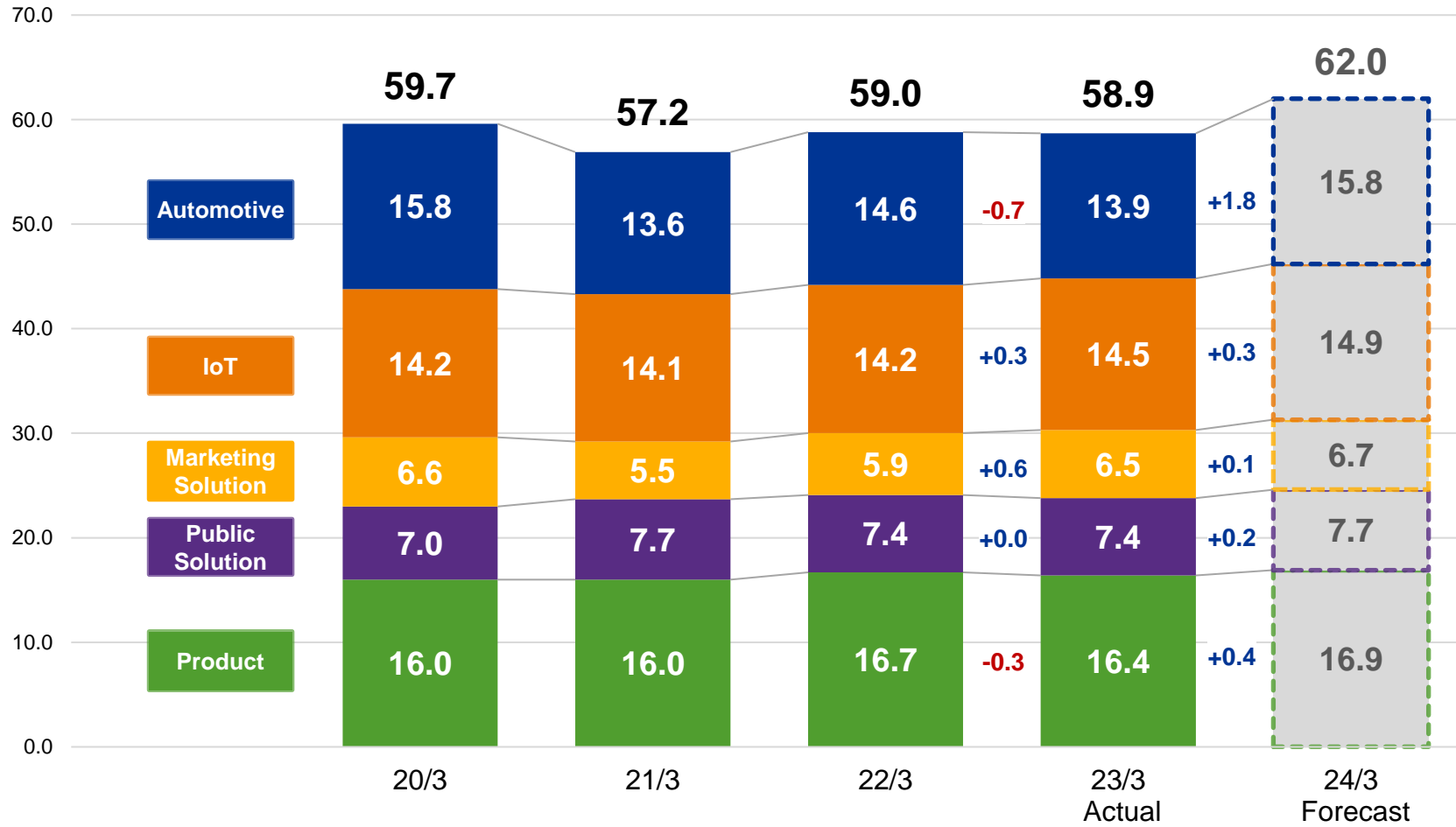
Operating Income (compared to FY2023)  
**+ 0.7 billion yen**

(Amounts in billion yen)



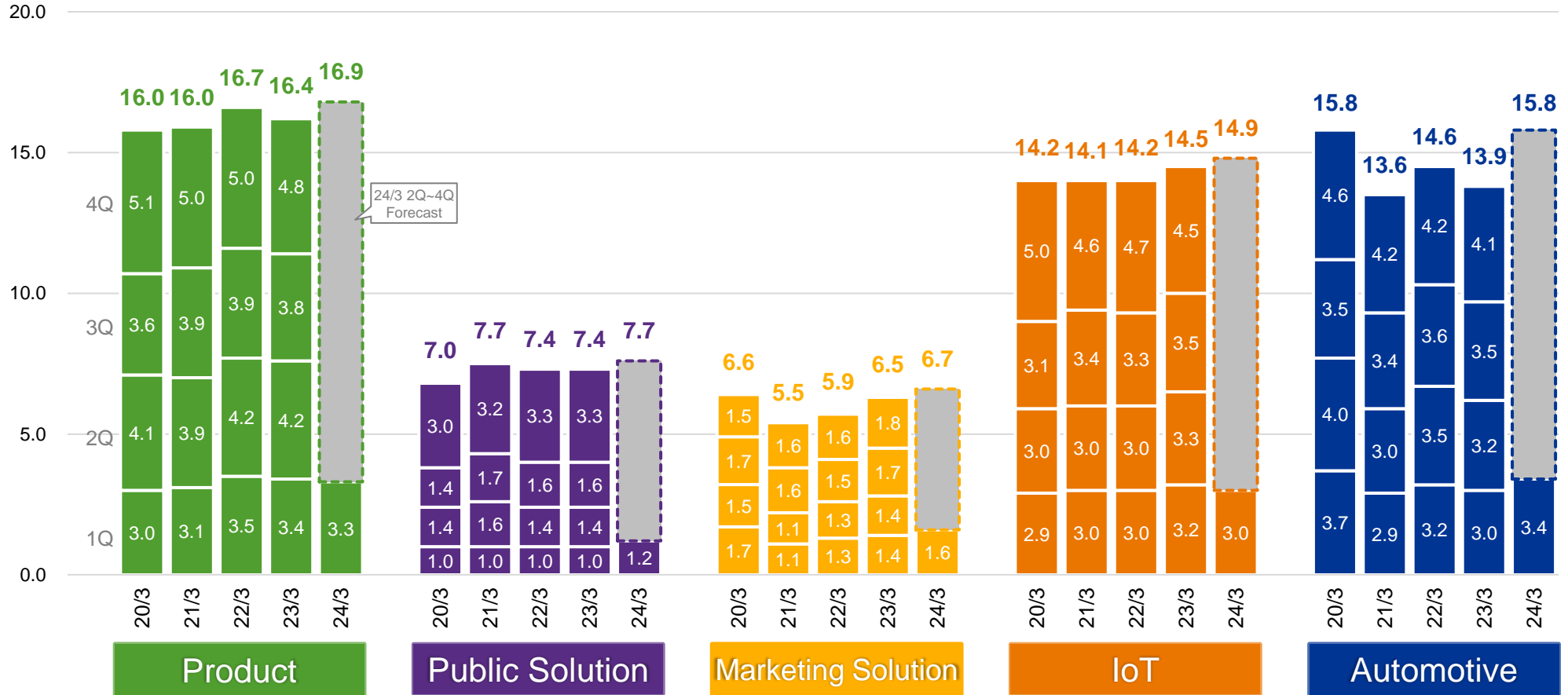
# 4. Changes in Net Sales by business

(Amounts in billion yen)



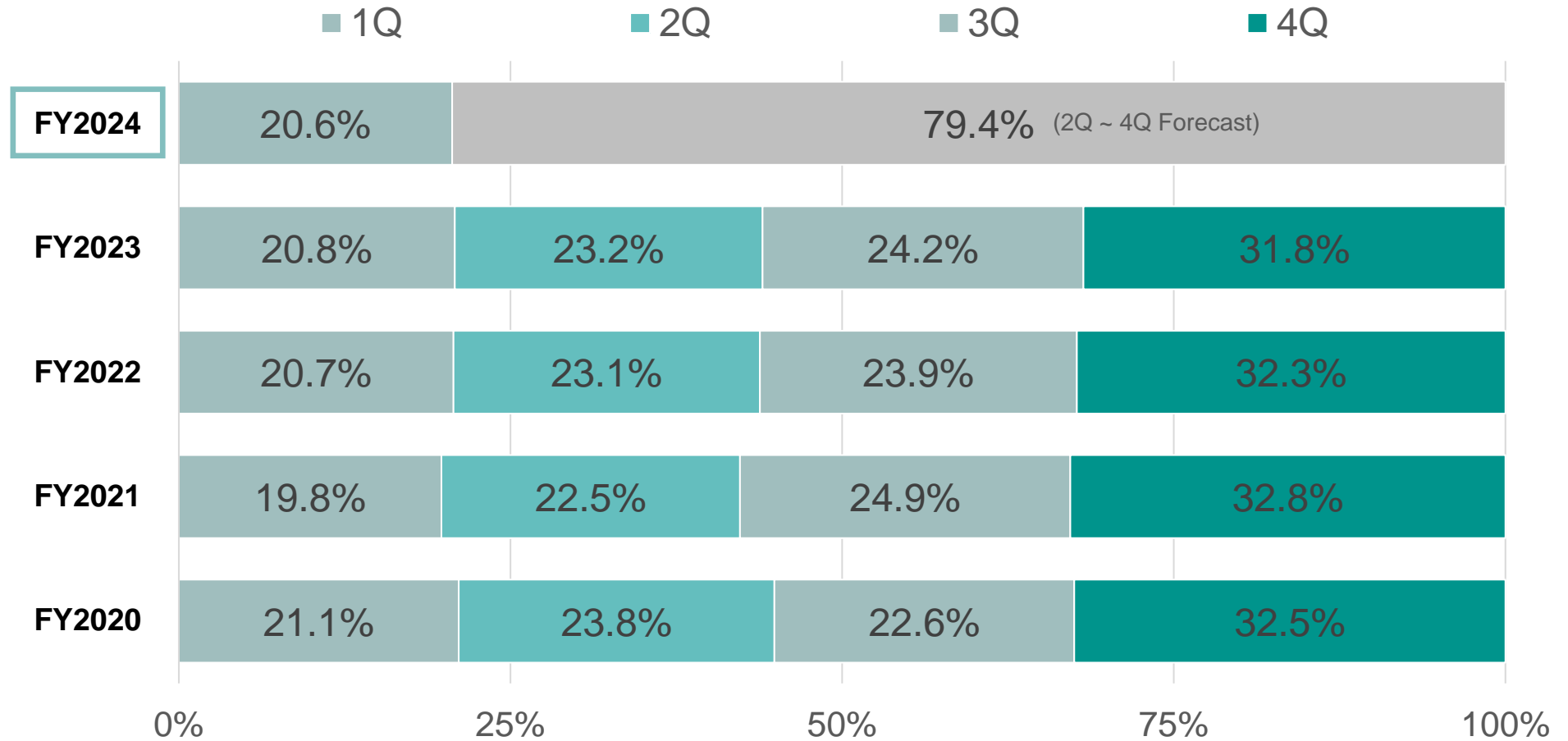
# 5. Quarterly sales by business

(Amounts in billion yen)



## 6. Changes in Composition of Net Sales by Quarter

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



# ZENRIN

Maps to the Future

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