

# Results for the First 3 Quarters of Fiscal 2024

(Year Ending March 31, 2024)

February 1, 2024

Maps to the Future

**\*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 3 Quarters of Fiscal 2024

1. Overview of Results
2. Changes in Net Sales, Income and Profit
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# 1. Overview of Results

## Key Points of Results for the First 3 Quarters of Fiscal 2024

### 【 Increase in sales / Decrease in income and profit 】 (Compared to the first 3Qs of FY2023)

#### Sales Result

- Sales of data for in-car navigation systems in the automotive-related business increased significantly thanks to the recovery in automobile production, although product-related entrusted services for corporate customers decreased. In addition, entrusted services for the national and local governments and opportunities to provide residential map data remained firm. As a result, third quarter net sales have increased for three consecutive periods.

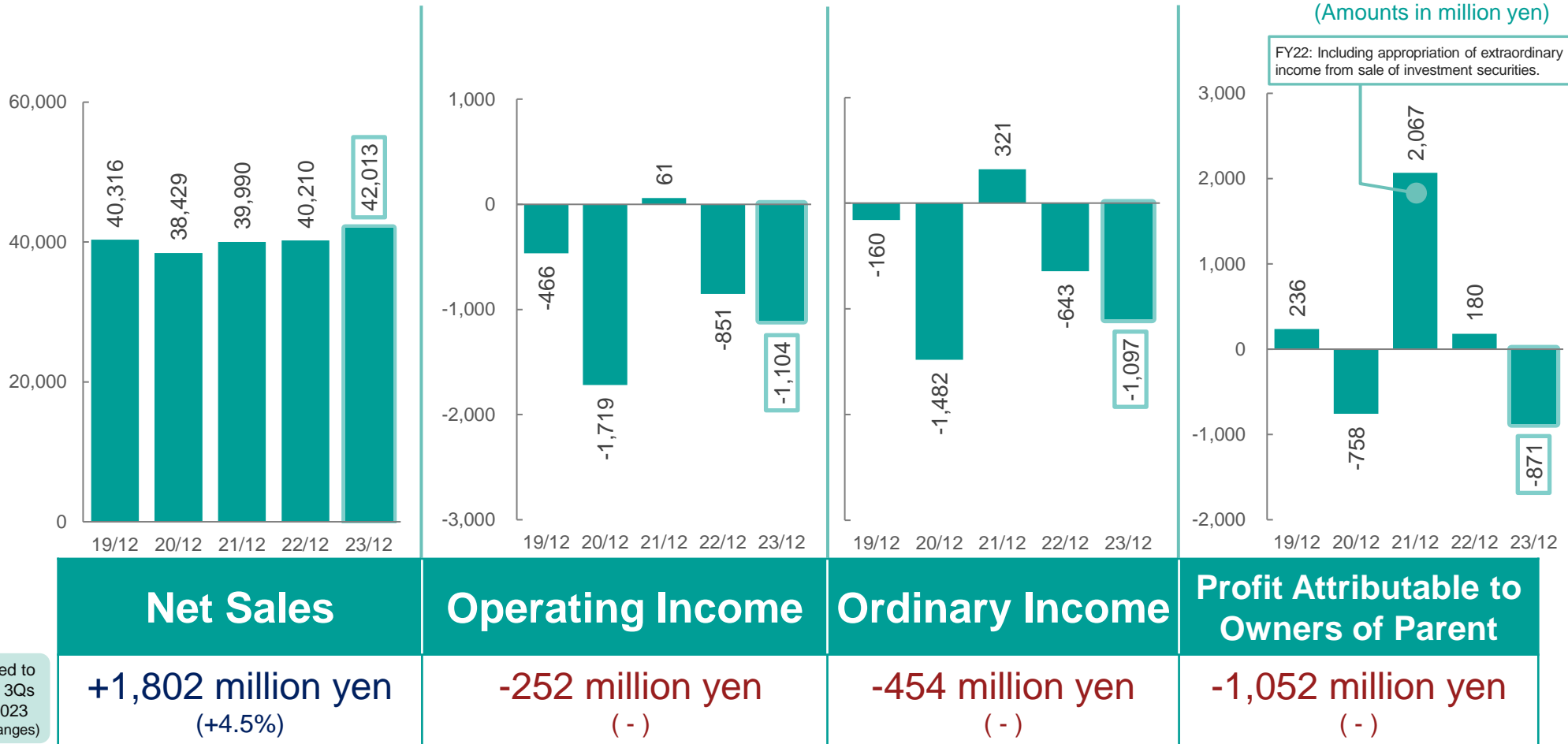
#### Expenses - Profit and loss

- 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 resulted in an increase in operating expenses, such as personnel expenses, compared to the same period of the previous fiscal year. As a result, third quarter profits decreased for two consecutive periods.
- \* These increases in operating expenses have already been incorporated in the forecast of the consolidated operating results 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.

	First 3Qs of FY2023	First 3Qs of FY2024	Compared to First 3Qs of FY2023	
				% of Change
Net Sales	40,210	42,013	1,802	+4.5%
Operating Expenses	41,062	43,117	2,055	+5.0%
Operating Income	-851	-1,104	-252	-
Operating Margin	-2.1%	-2.6%	-0.5pt	-
Ordinary Income	-643	-1,097	-454	-
Profit Attributable to Owners of Parent	180	-871	-1,052	-

(Amounts in million yen)

Including appropriation of extraordinary income from gain on sale of non-current assets and gain on sale of investment in capital of subsidiaries.



Increase in sales  
for 3 consecutive periods

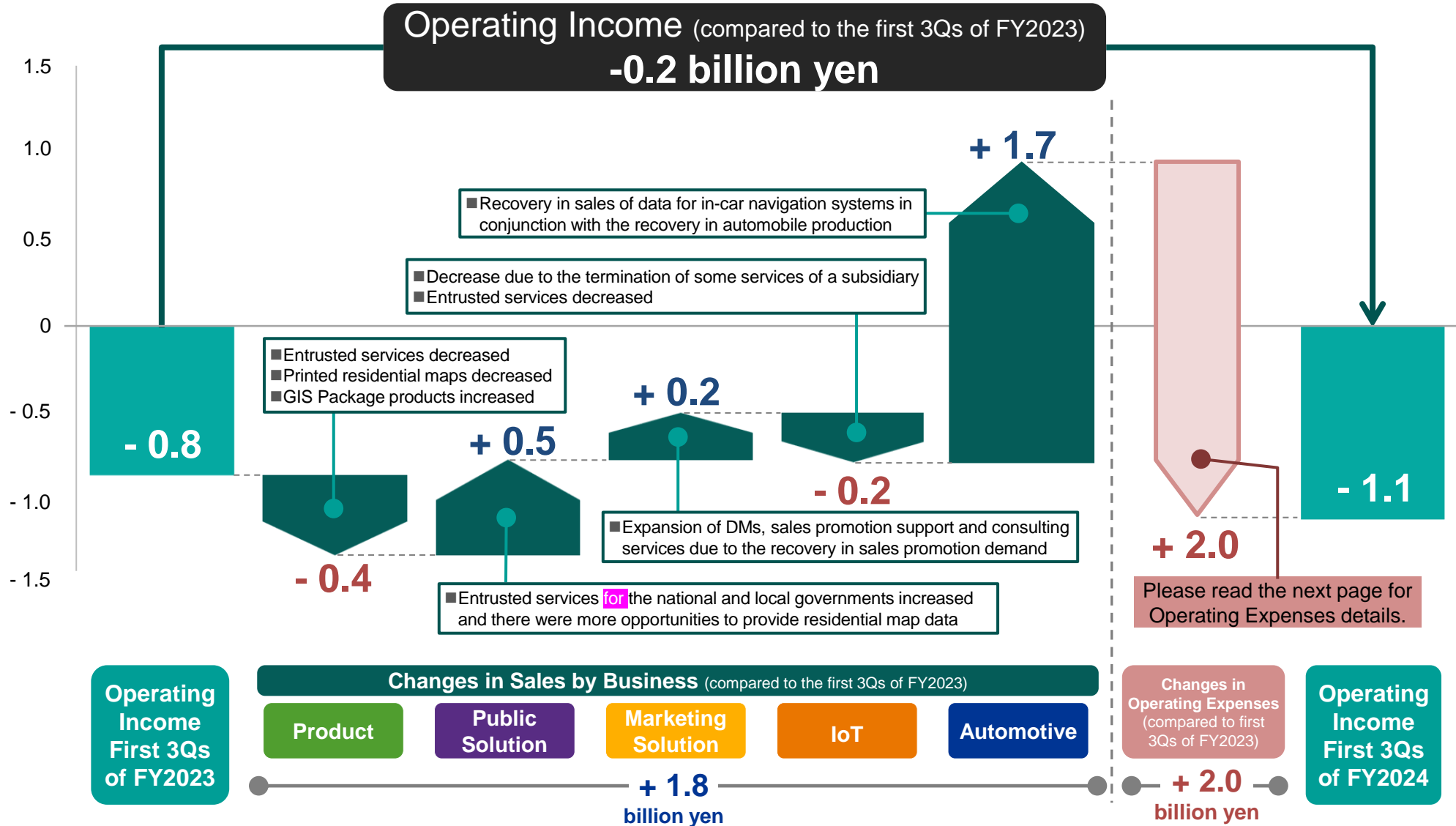
Decrease in income and profit for 2 consecutive periods

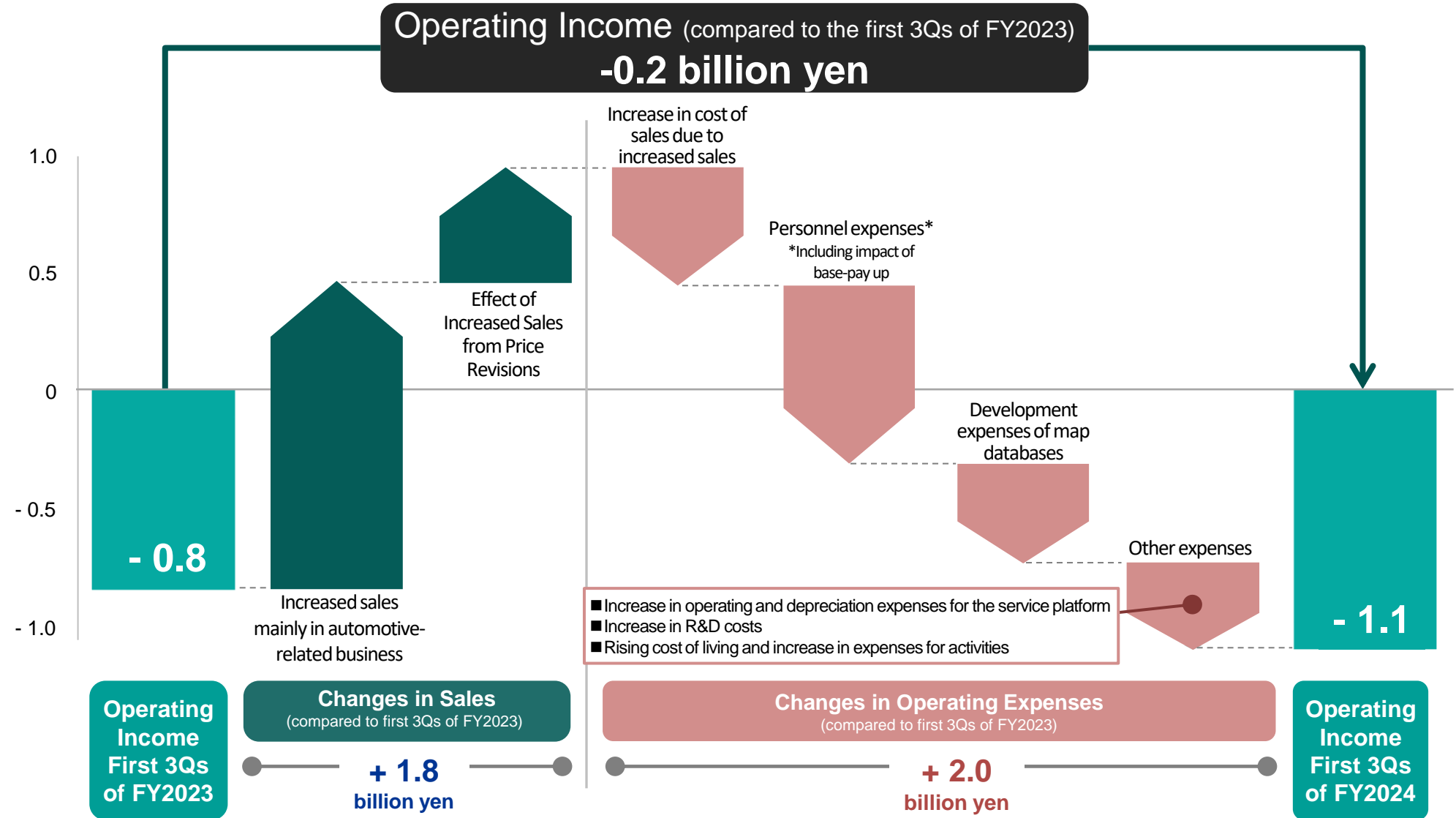
\*the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the first quarter of fiscal 2022.

\*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 by Business]

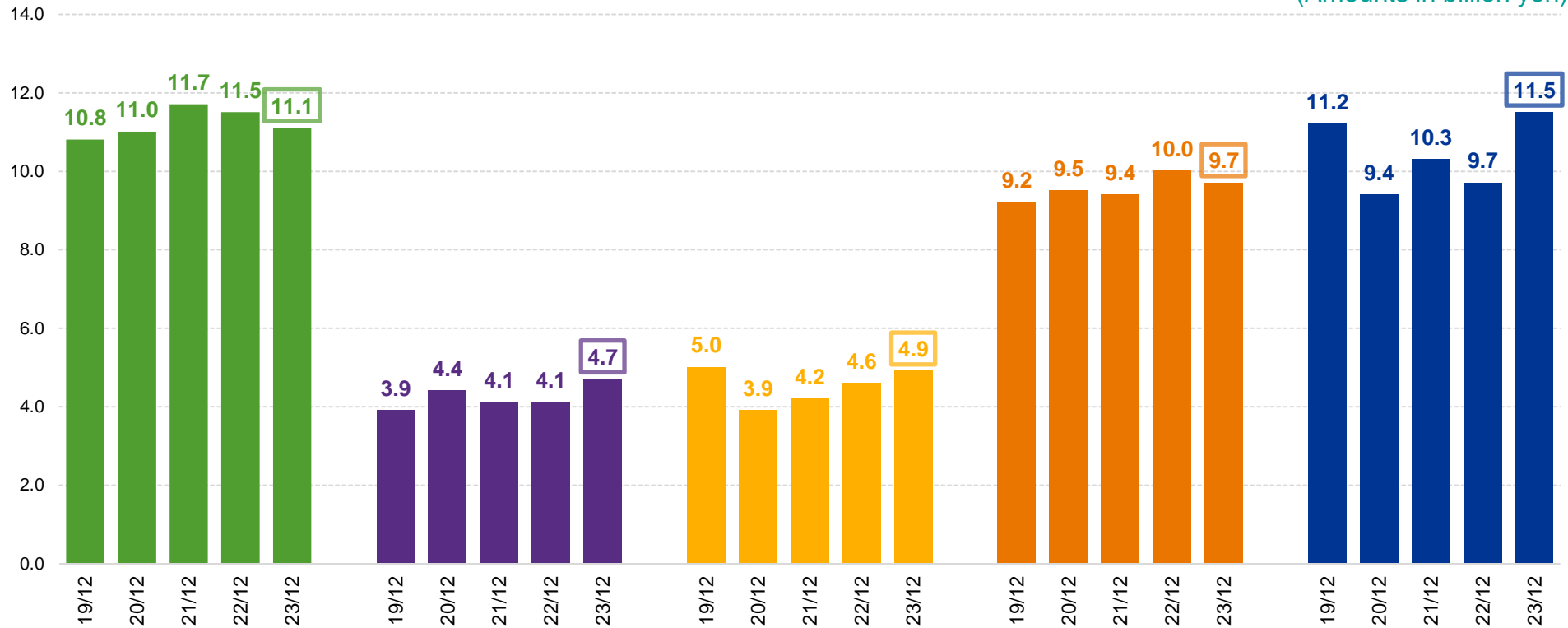
(Amounts in billion yen)





## 4. Changes in sales for the first 3 quarters by business

(Amounts in billion yen)



### Product

-0.4 billion yen  
(-4.0%)

### Public Solution

+0.5 billion yen  
(+13.2%)

### Marketing Solution

+0.2 billion yen  
(+5.8%)

### IoT

-0.2 billion yen  
(-2.8%)

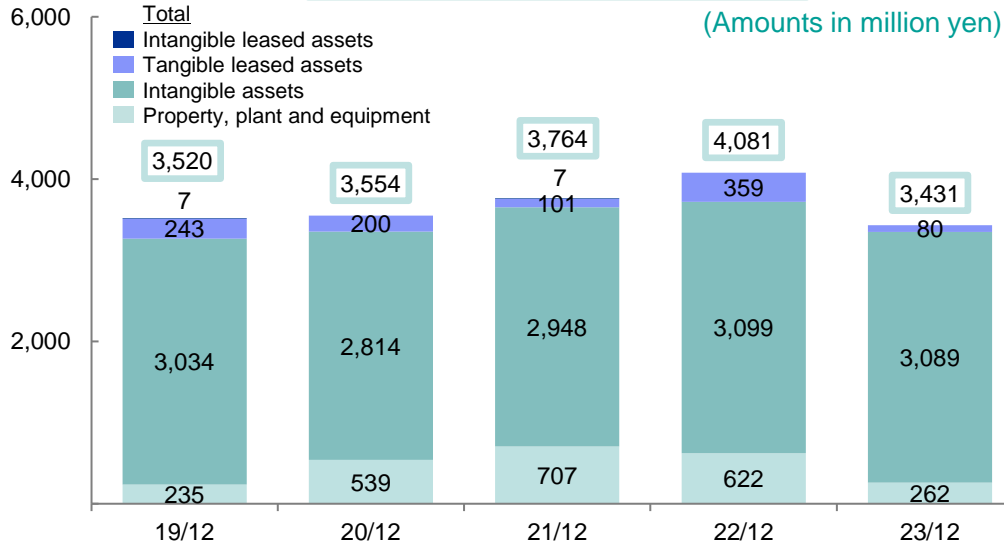
### Automotive

+1.7 billion yen  
(+17.7%)

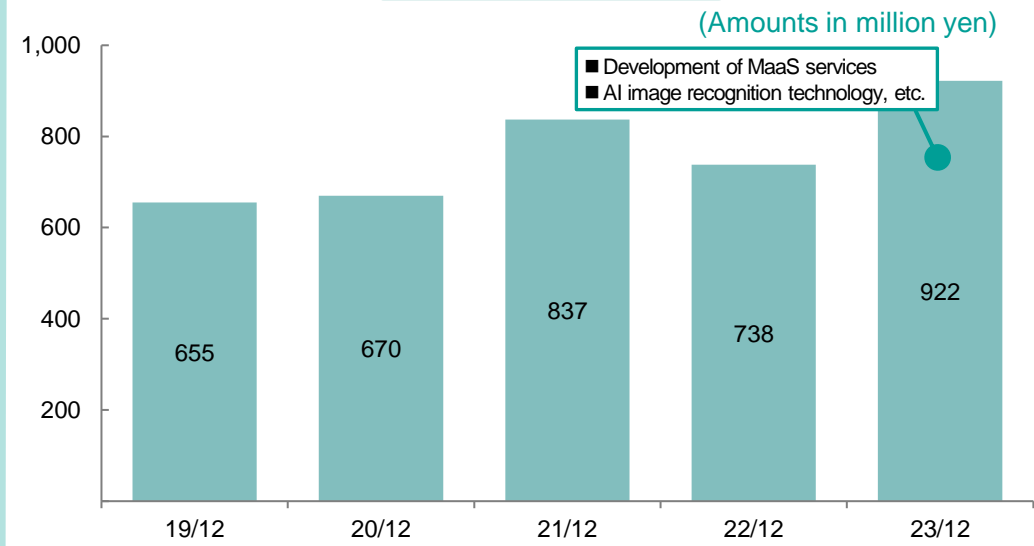
Compared to  
the First 3Qs  
of FY2023  
(% of Changes)

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

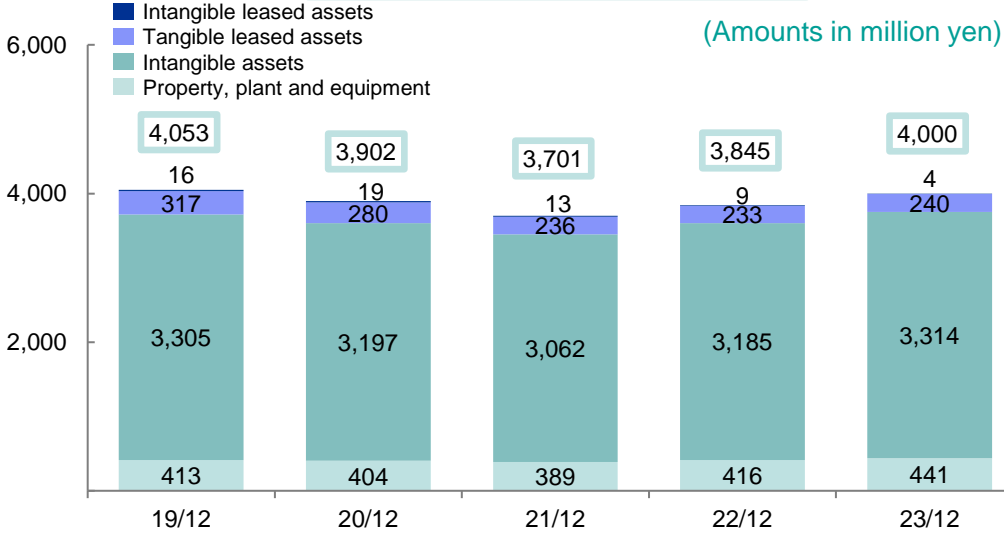
Amount of Capital Investment



R&D Cost



Depreciation





## Appendix: Earnings Forecast for Fiscal 2024

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. Changes in Quarterly Sales by business
6. Amount of Capital Investment, Depreciation and R&D Cost
7. Changes in Composition of Net Sales by Quarter
8. Sales-increasing Effect of Price Revisions

# 1. Earnings Forecast for Fiscal 2024

We have made no change in the forecast announced on April 28, 2023 as net sales tend to concentrate in the fourth quarter, and there are many uncertain factors in the environment in which the ZENRIN Group operates.

## 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

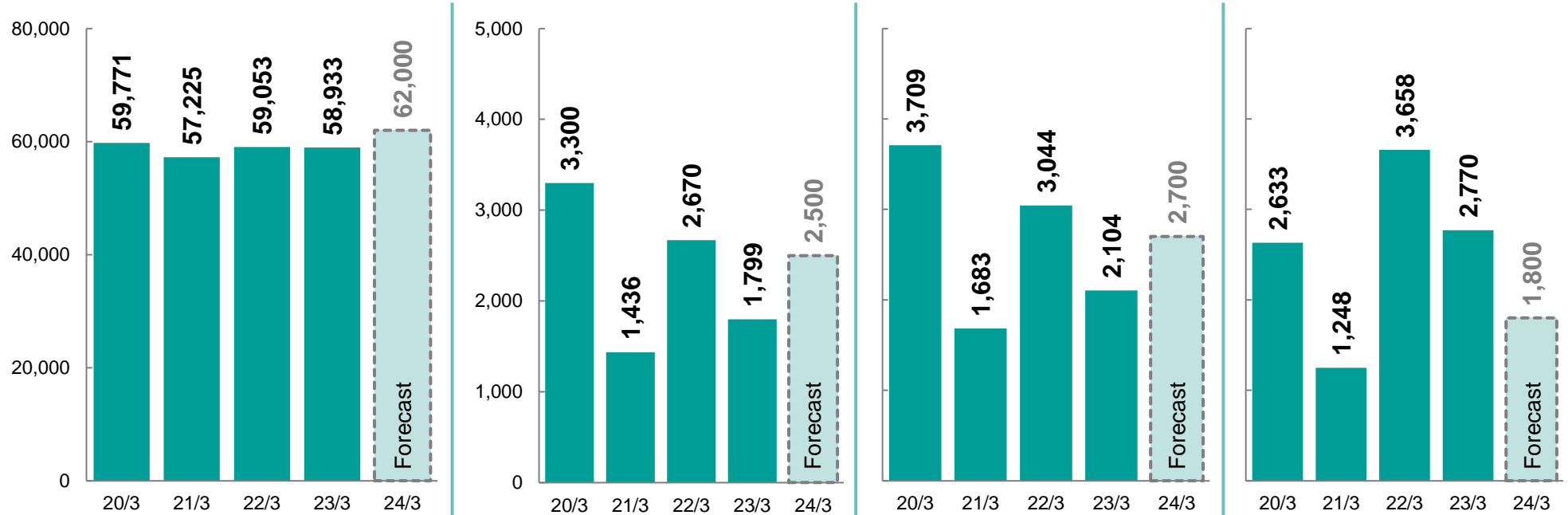
- As for expenses, high energy and raw material prices and increased personnel expenses due to higher wages are expected. Prices of products and services will also be revised (raised) gradually but its effect on the consolidated results for fiscal 2024 will be limited.
- Extraordinary income from gain 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%)

Increase in sales  
for the first time in 2 periods

### Operating Income

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

Increase in income for the first time in 2 periods

### Ordinary Income

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

### Profit Attributable to Owners of Parent

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

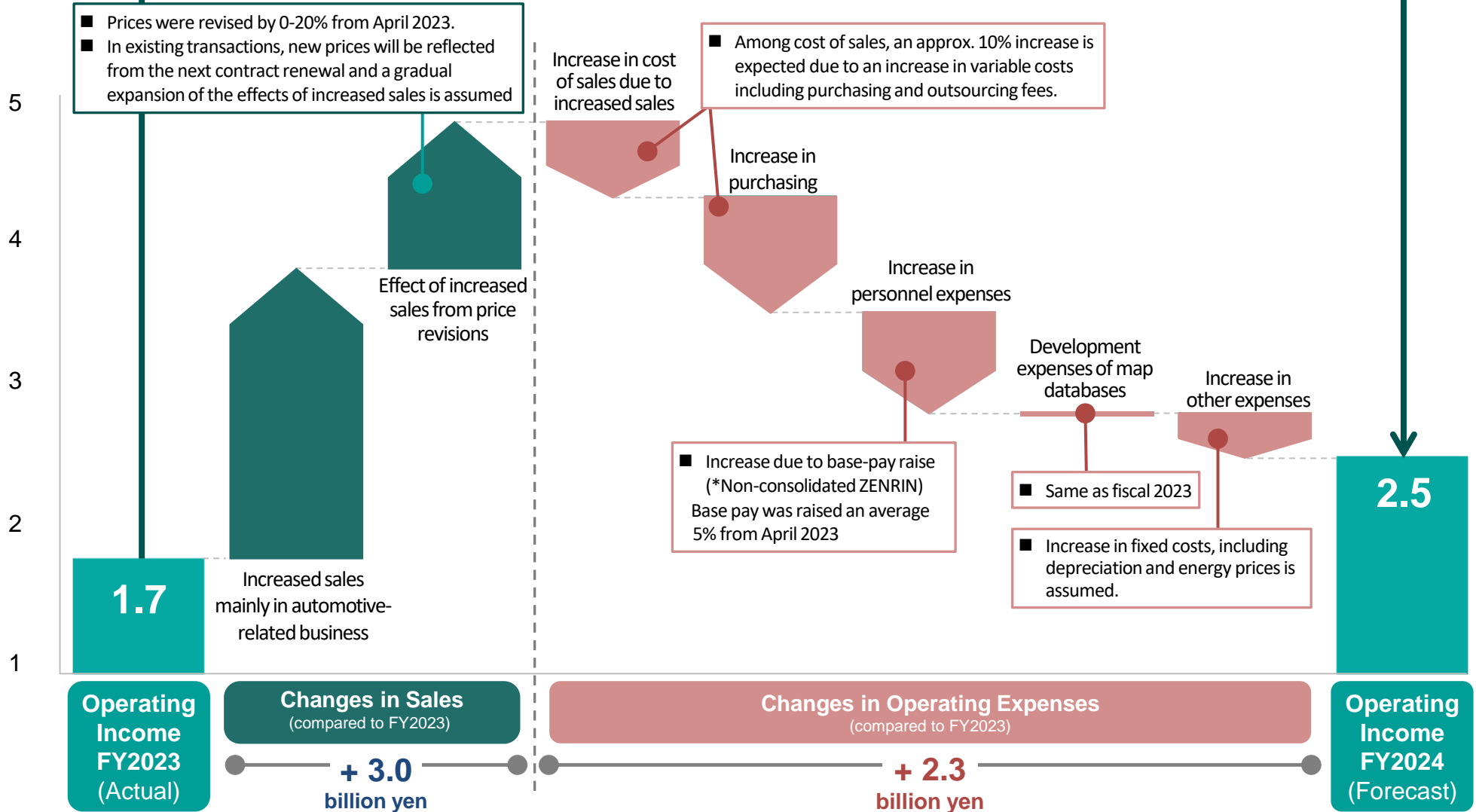
Decrease in profit  
for 2 consecutive periods

Compared to  
FY2023  
(% of Changes)

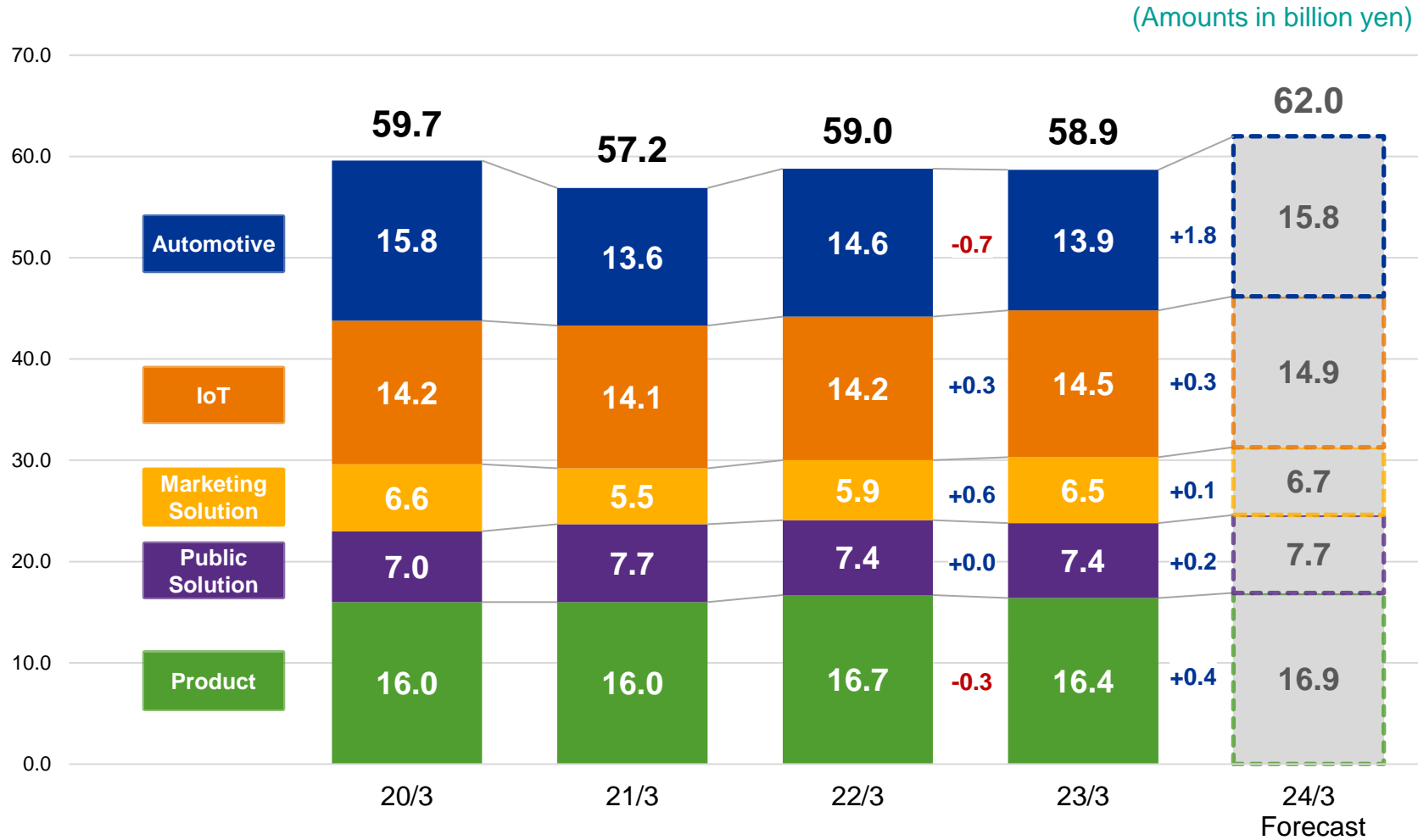
### 3. Assumptions for Earnings Forecasts for Fiscal 2024

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

(Amounts in billion yen)

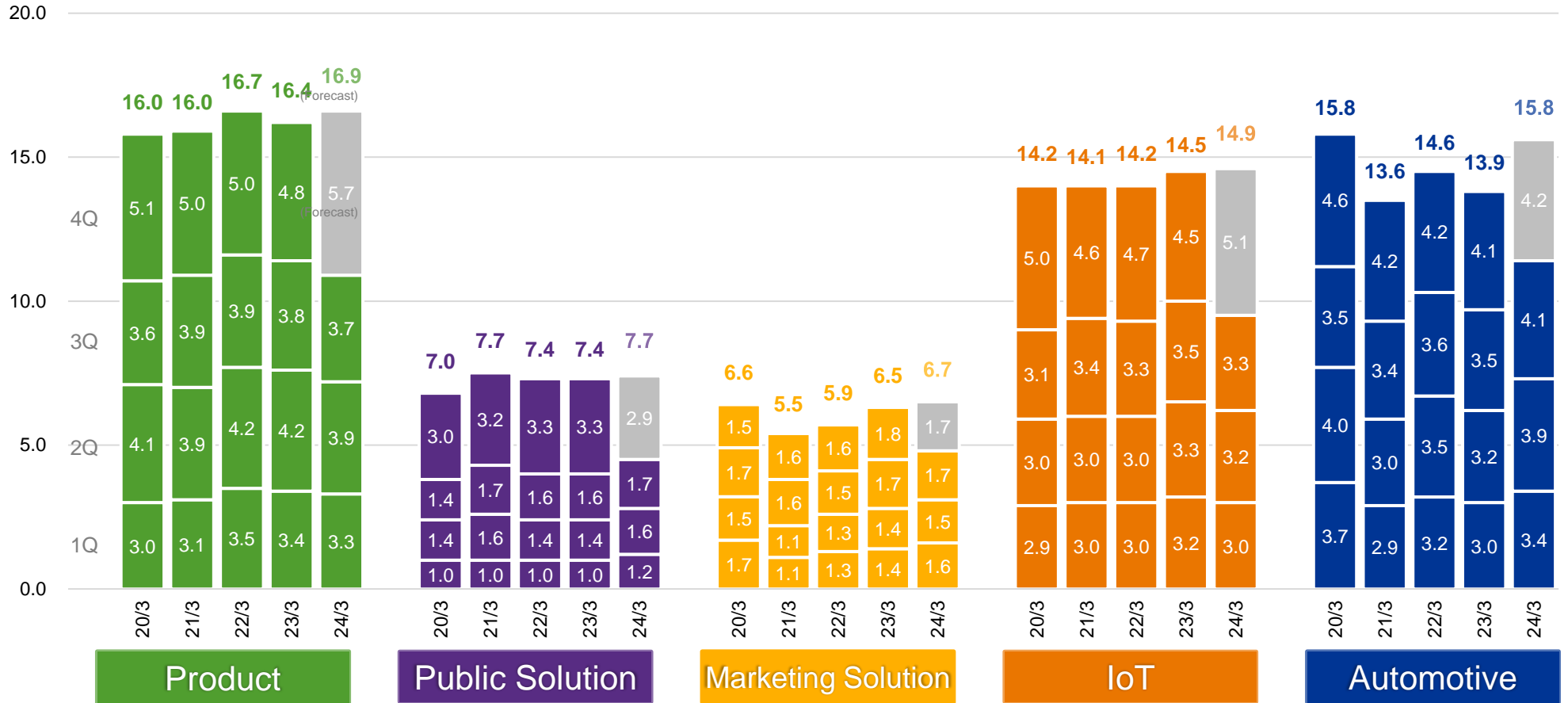


## 4. Changes in Net Sales by business



# 5. Changes in Quarterly Sales by business

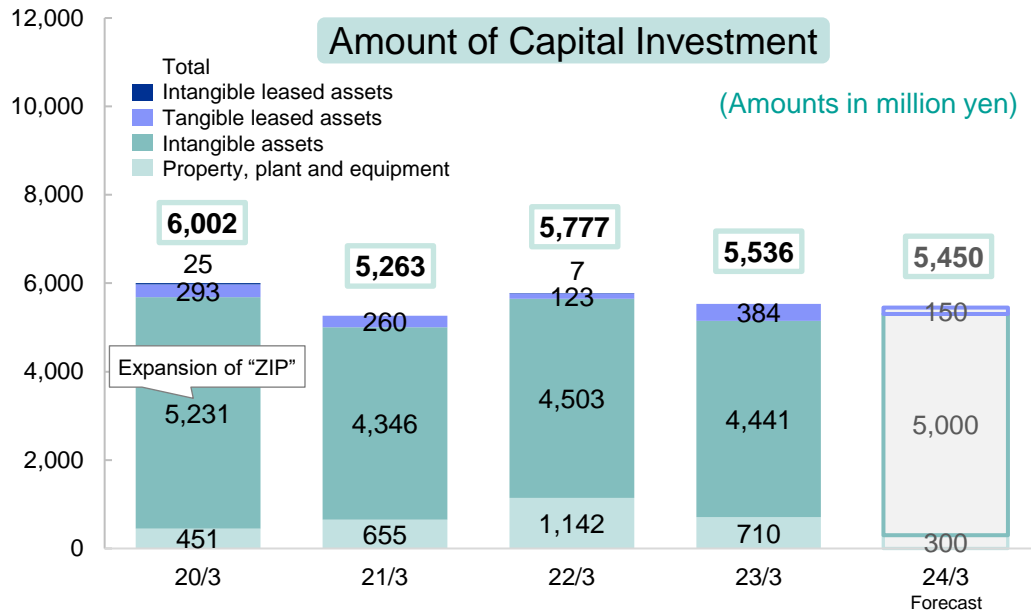
(Amounts in billion yen)



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

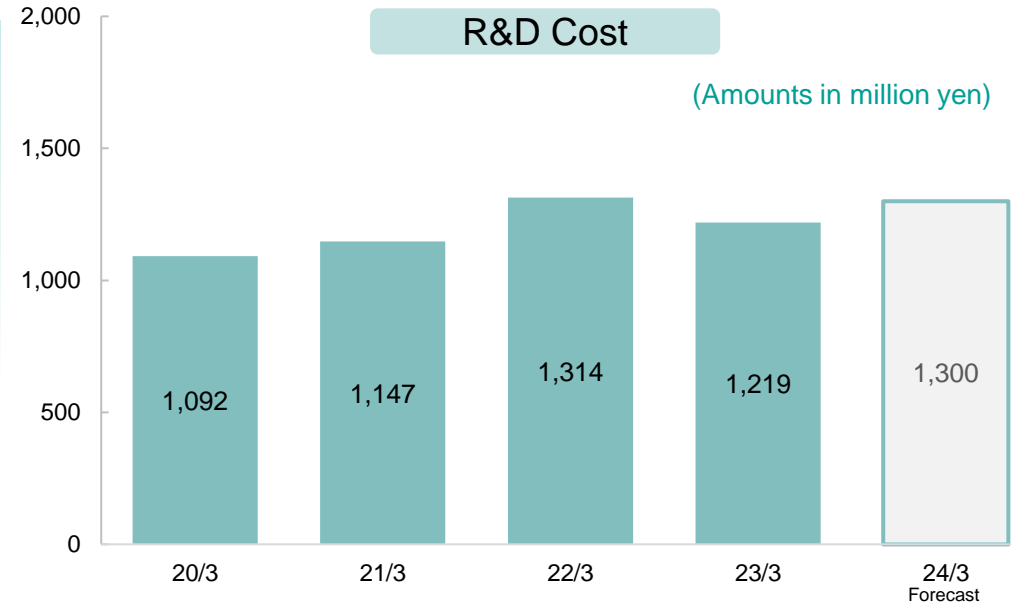
### Amount of Capital Investment

(Amounts in million yen)



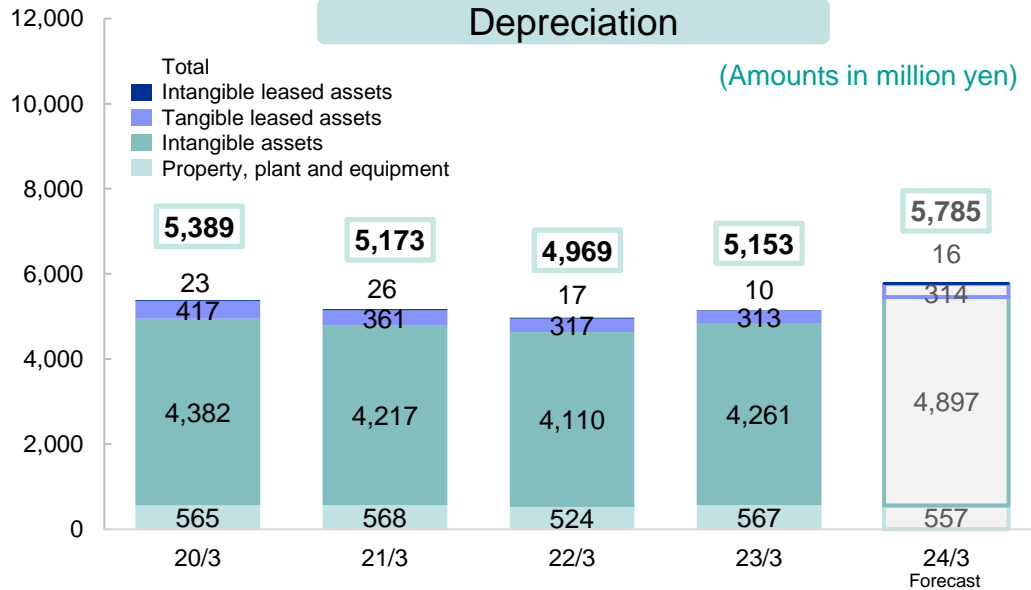
### R&D Cost

(Amounts in million yen)



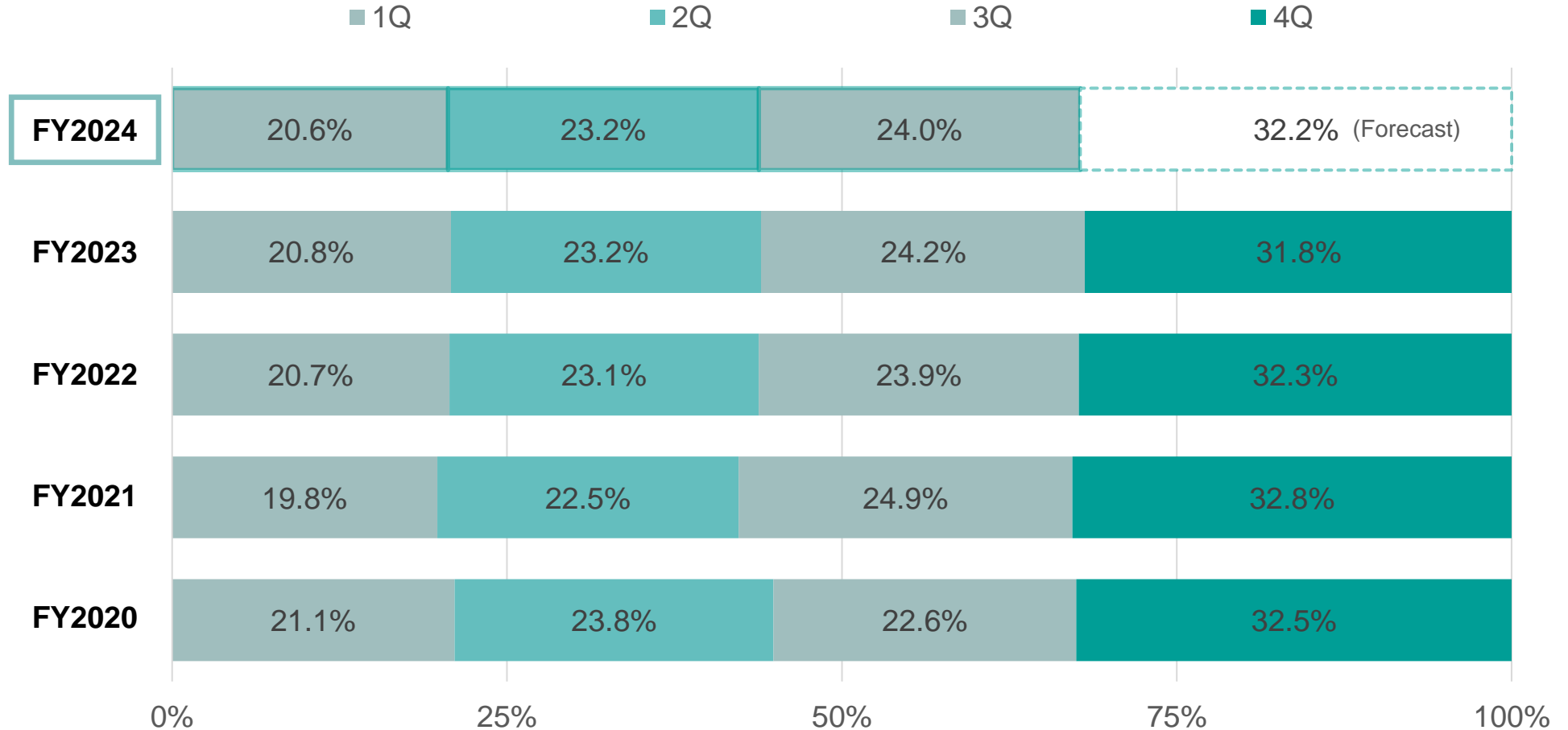
### Depreciation

(Amounts in million yen)



## 7. 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.





# 8. Sales-increasing Effect of Price Revisions

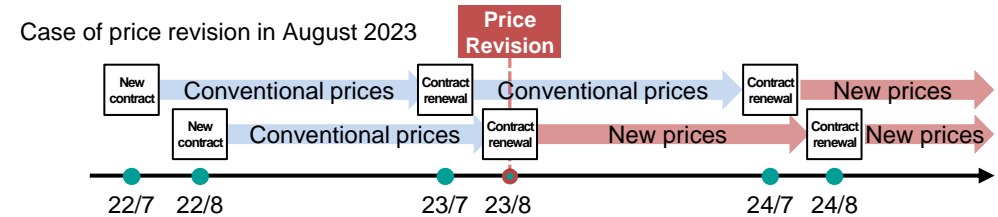
The sales-increasing effect of price revisions for FY2024 will be limited.

- Price revisions are being implemented one by one for each product and service in and after April 2023.
- For annual and multi-year contracts, under which new prices will be applicable upon the next contract renewal, we are currently notifying and negotiating price revisions with customers. For this reason, we expect the sales-increasing effect of price revisions to fully materialize only in and after the next fiscal year.

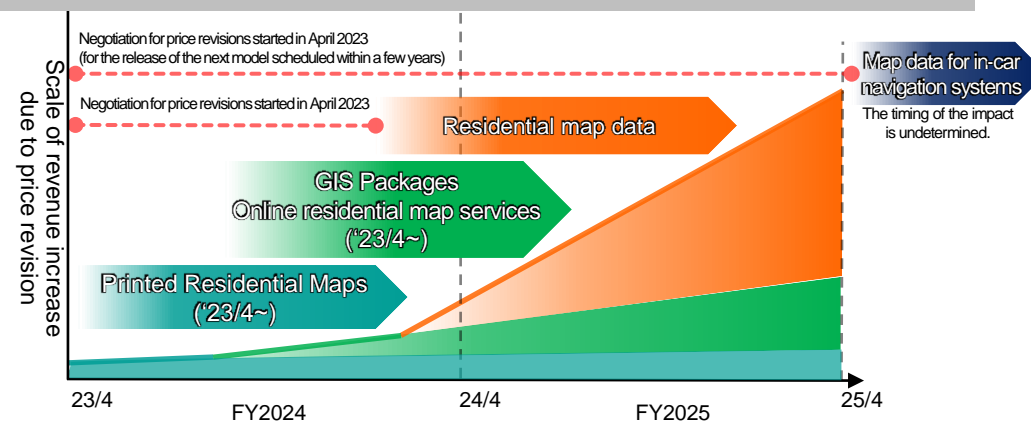
< Progress status of price revisions for each product and service >

Main products and services	Progress status in and after 2023
Printed residential maps	New prices apply to those published <u>in and after April 2023</u>
GIS package Online residential map and other data services (stock)	New prices apply to new contracts concluded and existing contracts renewed <u>in and after August 2023</u>
Provision of residential map data (flow)	<u>New prices will take effect in April 2024</u> New price estimates are currently presented and negotiated. New prices will apply to existing contracts upon the next contract renewal.
Map data for in-car navigation systems	New price estimates are currently presented and negotiated for the next model to be released

< Schematic illustration of new price application to existing contracts >



< Schematic illustration of sales-increasing effect of price revisions >



# ZENRIN

Maps to the Future

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