

Results for Fiscal 2024

(Year Ended March 31, 2024)

May 15, 2024

ZENRIN Co., Ltd.

***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 Fiscal 2024

II . Earnings Forecast for Fiscal 2025

III . Business Overview

Appendix

I . Overview of Results for Fiscal 2024

1. Overview of Results
 - 2-1. Sales by business
 - 2-2. Causes for Change in Operating Income [Sales / Cost]
3. Sales-increasing Effect of Price Revisions
4. Changes in Cash Flows
5. Shareholder Returns

1. Overview of Results

Key Points of Results for FY24

Sales and operating income increased for the first time in two years

Sales Result

- **Net sales increased for the first time in two fiscal years** as sales of data for in-car navigation systems in the automotive-related business increased significantly thanks to the recovery in automobile production, despite the effect of a reactionary fall in orders received in the IoT-related business, which were recognized in the previous fiscal year, and the discontinuation of certain services provided by our subsidiaries.

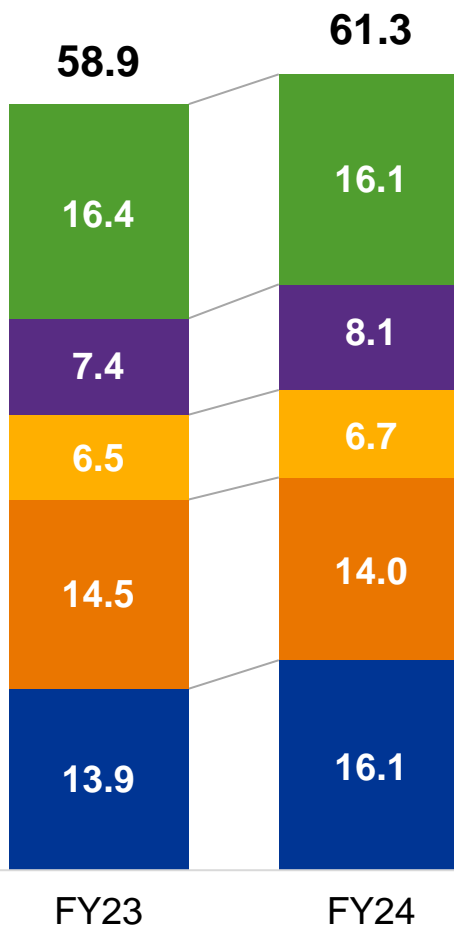
Expenses Profit and loss

- **Operating income increased for the first time in two fiscal years** as the effect of the increase in sales outweighed the effect of increase in cost of sales related to the increase in net sales and the effect of increase in operating expenses mainly due to an increase in expenses for developing map databases to improve the precision of location data and an increase in personnel expenses resulted from an increase in base salary.

(Amounts in million yen)

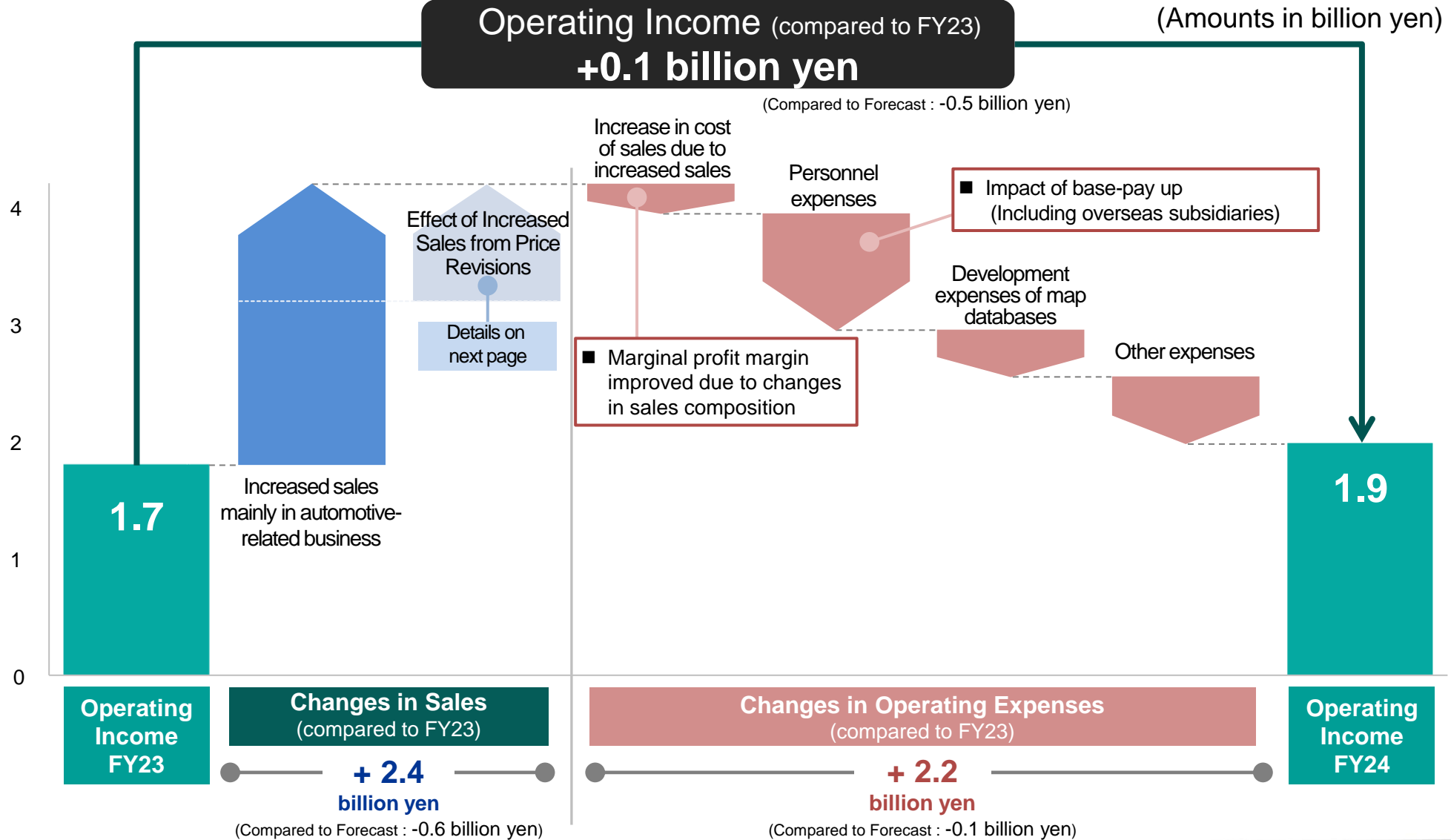
	(1) FY23 Actual	FY24					
		(2) FY24 Forecast (Apr. 28 2023)	(3) FY24 Actual	Compared to FY23 (3) - (1)		Compared to Forecast (3) - (2)	
					% of Change		% of Change
Net Sales	58,933	62,000	61,335 2nd best	+2,401	+4.1%	-664	-1.1%
Operating Expenses	57,134	59,500	59,353	+2,219	+3.9%	-146	-0.2%
Operating Income	1,799	2,500	1,981	+182	+10.1%	-518	-20.7%
Operating Margin	3.1%	4.0%	3.2%	+0.1pt	—	-0.8pt	—
Ordinary Income	2,104	2,700	2,060	-44	-2.1%	-639	-23.7%
Profit Attributable to Owners of Parent	2,770 <small>Extraordinary income from gain on sales of investment securities and gain on sales of non-current assets</small>	1,800	2,078 <small>Extraordinary income from gain on sales of investment securities</small>	-692	-25.0%	+278	+15.5%
ROE (Return On Equity)	5.9%	4.0%	4.4%	-1.5pt	—	+0.3pt	—

(Amounts in billion yen)



	Compared to FY23 (% of change)	Compared to Forecast (% of change)	Business overview of FY24
TOTAL	+2.4 (+4.1%)	-0.6 (-1.1%)	—
Product Business	-0.2 (-1.5%)	-0.7 (-4.2%)	<ul style="list-style-type: none"> While stock-type services remained firm, sales decreased due to a reactionary fall in sales of residential maps and entrusted services from the strong results in the previous fiscal year.
Public solution Business	+0.6 (+8.9%)	+0.4 (+5.8%)	<ul style="list-style-type: none"> Provision of residential map data to government offices and entrusted services for local governments increased.
Marketing solution Business	+0.2 (+4.2%)	+0.0 (+1.3%)	<ul style="list-style-type: none"> Thanks to recovery in sales promotion demand, DMs, sales promotion support services, and consulting services increased.
IoT Business	-0.5 (-3.6%)	-0.8 (-5.7%)	<ul style="list-style-type: none"> Sales decreased due to a reactionary fall in entrusted services from strong results in the previous fiscal year and the discontinuation of certain services provided by subsidiaries.
Automotive Business	+2.2 (+16.0%)	+0.3 (+2.4%)	<ul style="list-style-type: none"> Thanks to recovery in automobile production, sales of data for in-car navigation systems picked up.

2-2. Causes for Change in Operating Income [Sales / Cost]

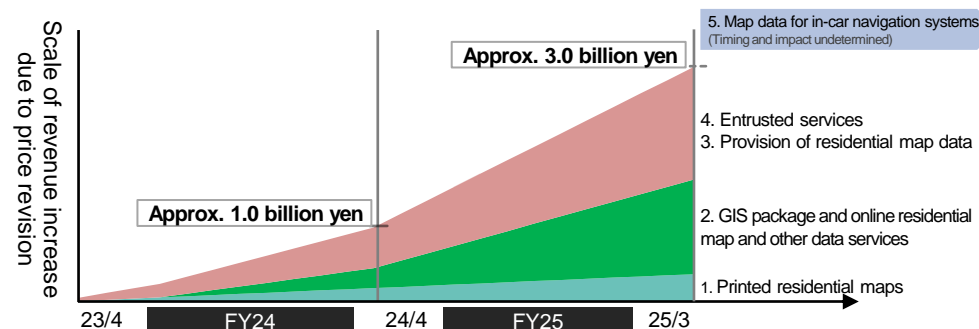


3. Sales-increasing Effect of Price Revisions

Sales-increasing effect of price revisions during FY2024 [Approx. 1.0 billion yen]

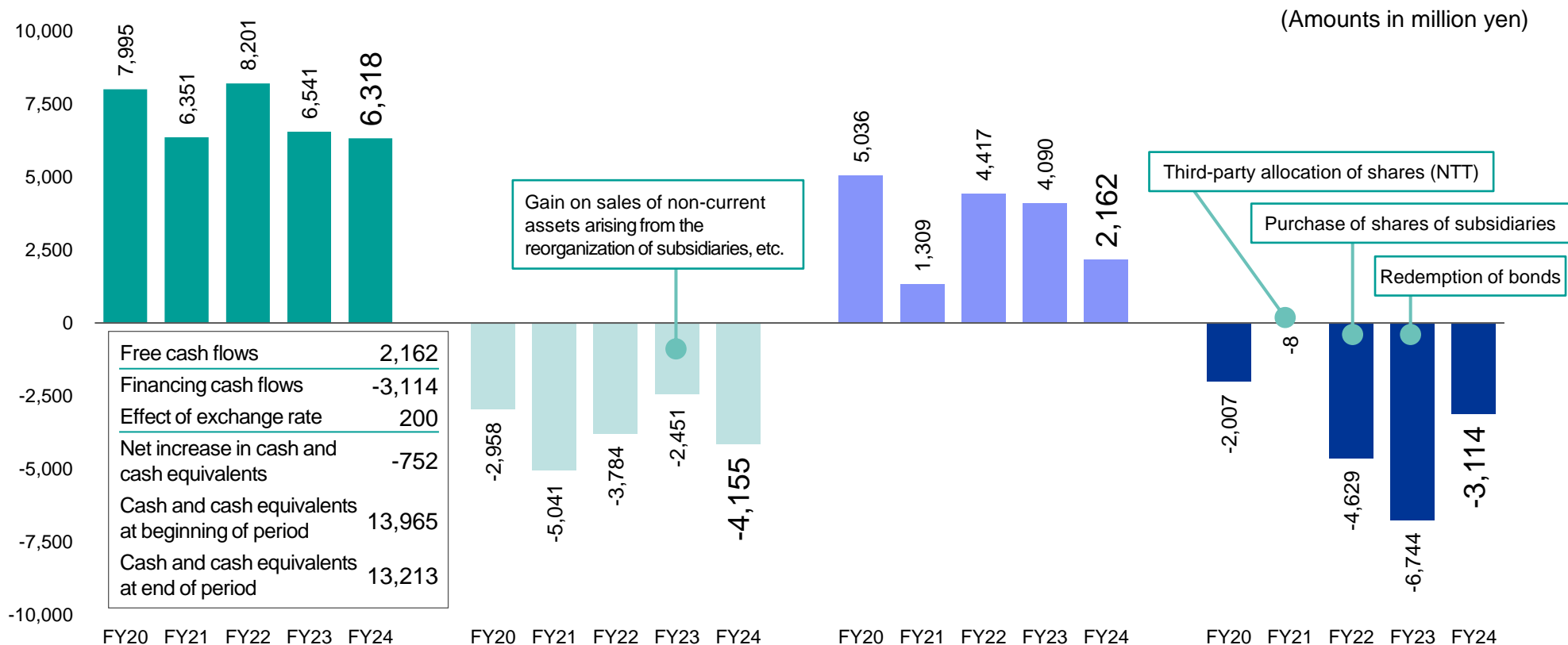
- Sales-increasing effects for the FY24 were largely in line with forecast.
- In the FY25, the increase in sales is expected to be approximately 2 billion yen due to the expansion of products and services subject to price revisions.

Schematic illustration of sales-increasing effect of price revisions



Progress status of price revisions for each product and service

	Main products and services	Business	Type	Implementation period of price revision	Notices
1	Printed residential maps	PR PU	Flow	April 2023~	—
2	GIS package Online residential map and other data services	PR PU	Stock	August 2023~	Cancellation for the reason of price revision has been almost none.
3	Provision of residential map data	PR PU	Flow	April 2024~ (Some expressed during FY23)	Price revision negotiation started in April 2023.
4	Entrusted services	All business	Flow		Project negotiation reflecting increases in personnel expenses and procurement cost started in April 2023.
5	Map data for in-car navigation systems	AM	Flow	Under negotiation for the next model to be released	The new navigation model under negotiation is scheduled to be released in or after March 2026. (Prices are usually negotiated two to three years in advance.)



	Operating Cash Flows	Investing Cash Flows	Free Cash Flows	Financing Cash Flows
FY2024 (Actual)	6,318 million yen	-4,155 million yen	2,162 million yen	-3,114 million yen
Compared to FY2023	Inflows down 222 million yen	Outflows up 1,704 million yen	Inflows down 1,927 million yen	Outflows down 3,629 million yen

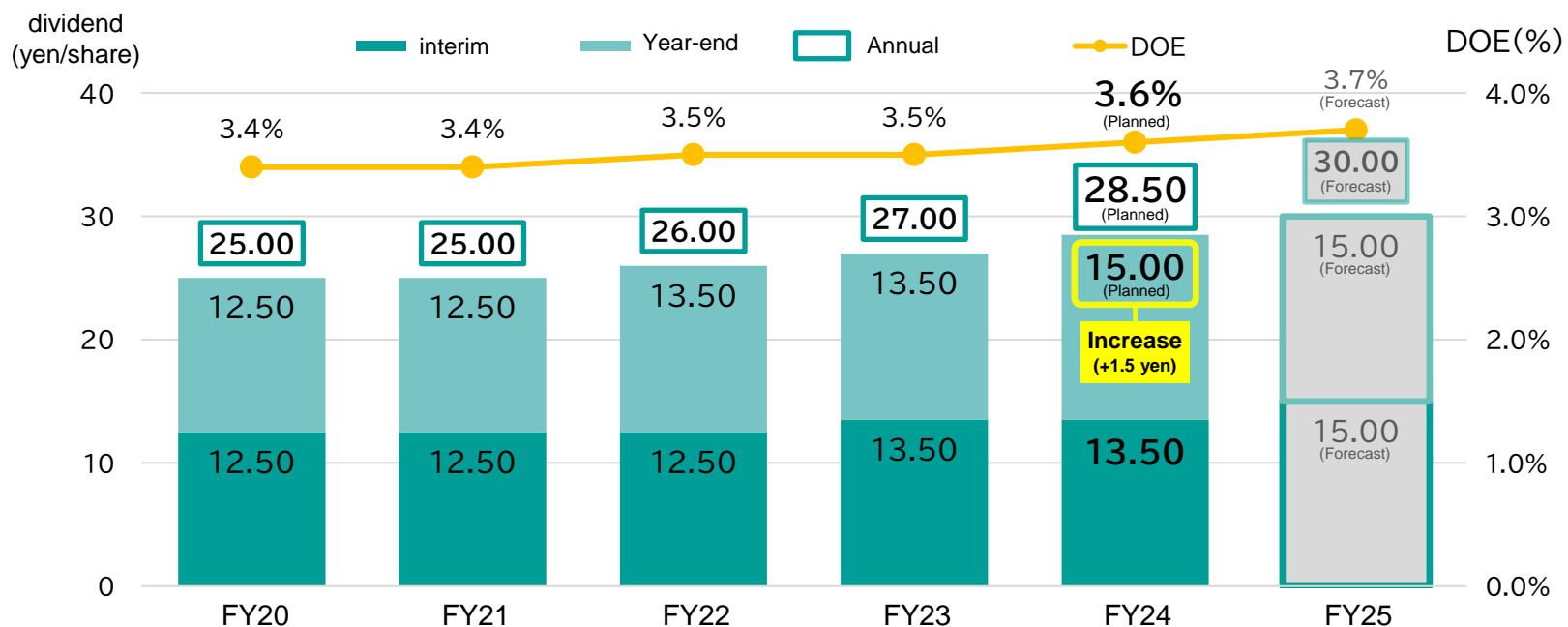
**Basic policy for
shareholder return**

Return income to shareholders derived from income growth based on the medium- to long-term business plan, while taking into account maintaining an adequate amount of internal reserves

Dividend

Target dividend on equity (DOE) on a consolidated basis of 3% or higher

FY24(Planned) Annual dividend : 28.5 yen/share (compare to FY23 +1.5 yen) / DOE : 3.6% (compare to FY23 +0.1pt)



II. Earnings Forecast for Fiscal 2025

1. Earnings Forecast for Fiscal 2025
2. Changes in Net Sales, Income and Profit
- 3-1. Assumptions for Earnings Forecasts [Sales by business]
- 3-2. Assumptions for Earnings Forecasts [Sales / Costs]

1. Earnings Forecast for Fiscal 2025

**Sales
Result**

- Net sales will increase due to growth in stock-type business, such as GIS package, and price revisions.
- Automotive-related sales will remain firm on the back of recovery in automobile production.

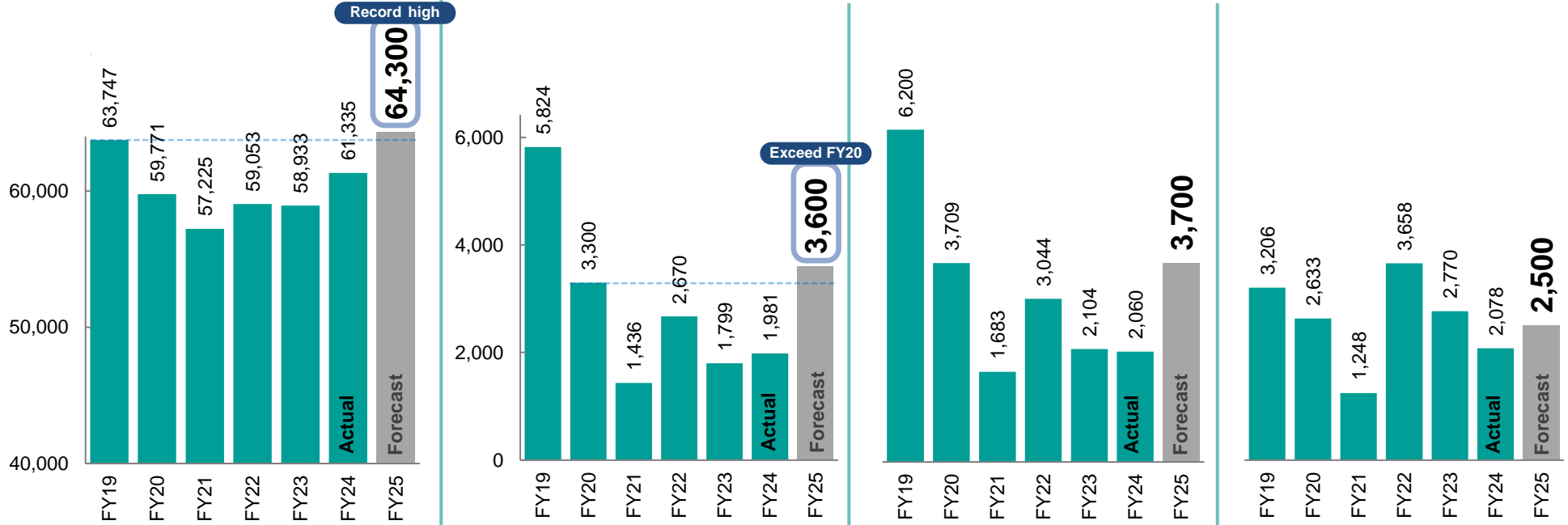
**Expenses
Profit
and loss**

- Operating income is expected to increase as the effect of increase in net sales will outweigh the expected increase in costs and expenses, such as increase in personnel expenses resulted from an increase in base salary and increase in cost of sales related to increase in net sales.

(Amounts in million yen)	(1) FY23 Actual	(2) FY24 Actual	(3) FY25 Forecast	Compare to FY24 (3)-(2)	
					% of Change
Net Sales	58,933	61,335	64,300 Record high	+2,964	+4.8%
Operating Expenses	57,134	59,353	60,700	+1,346	+2.3%
Operating Income	1,799	1,981	3,600	+1,618	+81.7%
Operating Margin	3.1%	3.2%	5.6%	+2.4pt	—
Ordinary Income	2,104	2,060	3,700	+1,639	+79.6%
Profit Attributable to Owners of Parent	2,770 <small>Extraordinary income from gain on sales of investment securities and gain on sales of non-current assets</small>	2,078 <small>Extraordinary income from gain on sales of investment securities</small>	2,500	+421	+20.3%
ROE (Return On Equity)	5.9%	4.4%	5.0%	+0.6pt	—

2. Changes in Net Sales, Income and Profit

(Amounts in million yen)



Net Sales

+2,964
(+4.8%)

Increase in sales
for 2 consecutive fiscal years

Operating Income

+1,618
(+81.7%)

Increase in income
for 2 consecutive fiscal years

Ordinary Income

+1,639
(+79.6%)

Increase in income and profit
for the first time in 3 fiscal years

Profit Attributable to Owners of Parent

+421
(+20.3%)

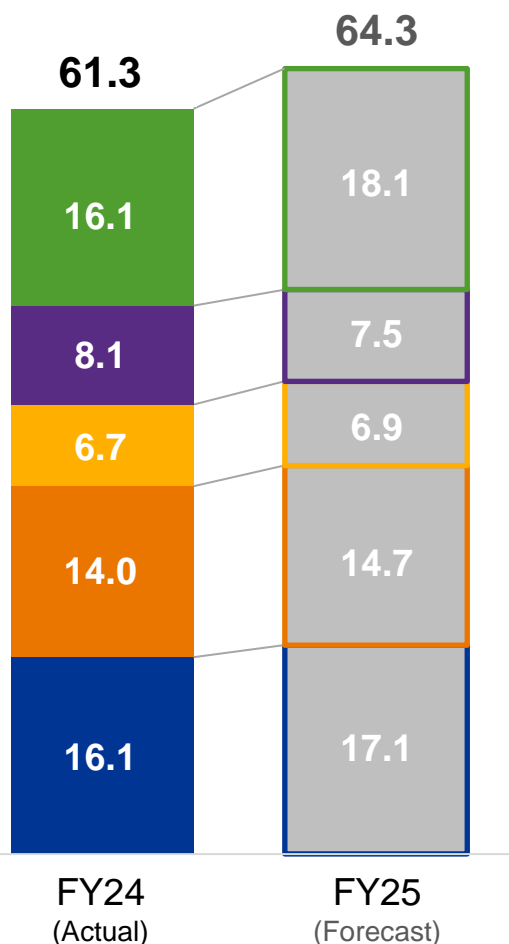
Compared to
FY24
(% of Changes)

*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).

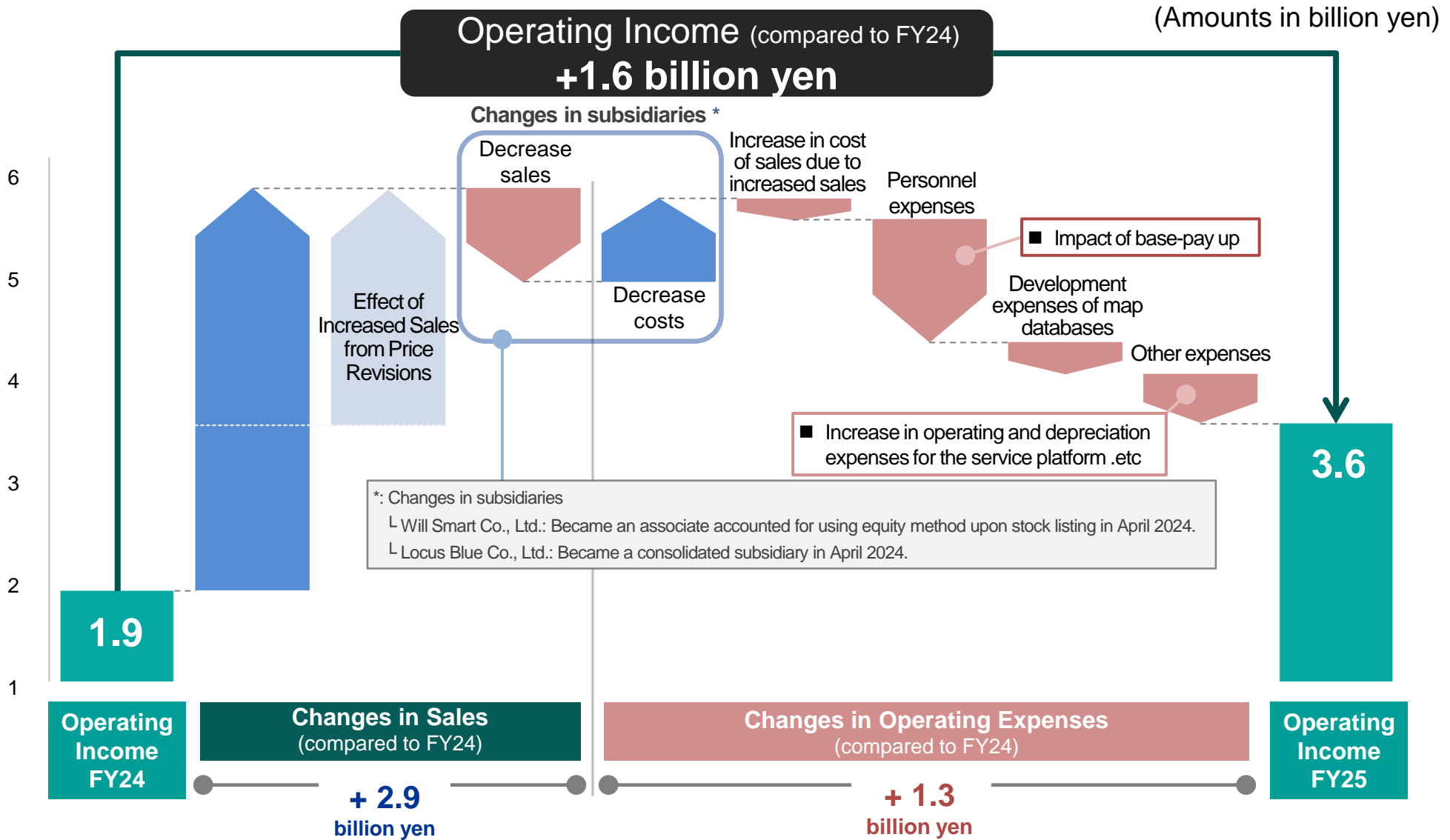
3-1. Assumptions for Earnings Forecasts [Sales by business]

(Amounts in billion yen)



	Compared to FY24 (% of change)	Initiatives for FY25
TOTAL	+2.9 (+4.8%)	—
Product Business	+1.9 (+11.8%)	<ul style="list-style-type: none"> ● Provision of the GIS package and residential map data will increase. ● Sales-increasing effect of price revisions.
Public solution Business	-0.6 (-7.9%)	<ul style="list-style-type: none"> ● While a reactionary fall in sales of residential map data and entrusted services from strong results in the previous year is expected, we will strengthen efforts to promote a shift to stock-type business.
Marketing solution Business	+0.1 (+1.7%)	<ul style="list-style-type: none"> ● Growth in conventional advertising business, sales promotion services, and consulting services.
IoT Business	+0.6 (+4.7%)	<ul style="list-style-type: none"> ● Growth in solution business * As the figure to the left does not include net sales of Will Smart, which was deconsolidated, the actual revenue growth target is 1.6 billion yen.
Automotive Business	+0.9 (+5.7%)	<ul style="list-style-type: none"> ● Sales of data for in-car navigation systems will remain firm due to market recovery.

3-2. Assumptions for Earnings Forecasts [Sales / Costs]



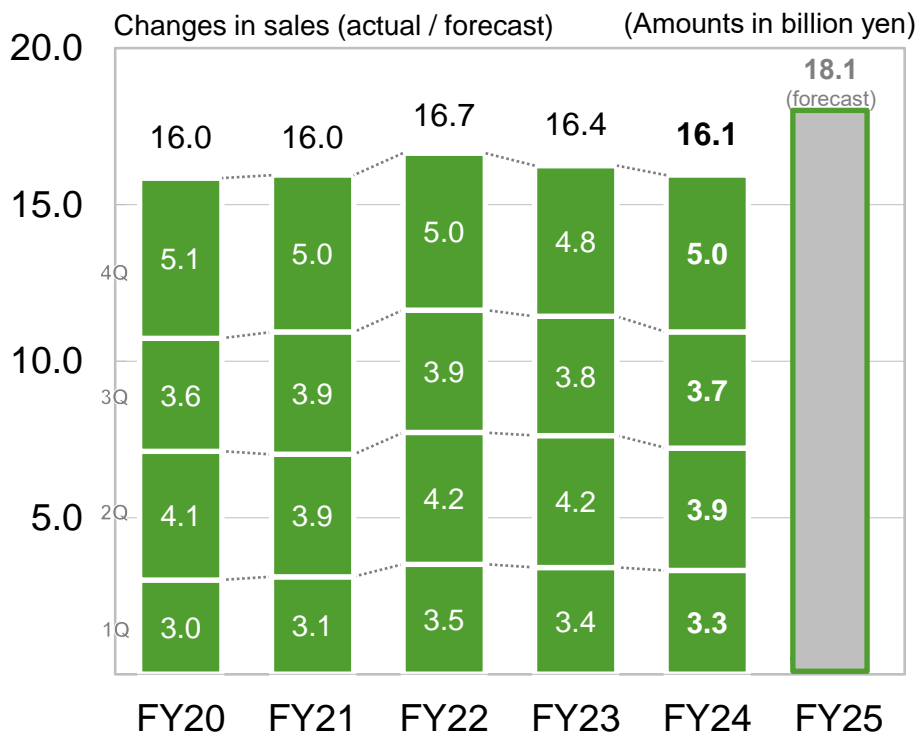
Ⅲ. Business Overview

- 1. Product**
- 2. Public Solution**
- 3. Marketing Solution**
- 4. IoT**
- 5. Automotive**
- 6. Progress of Regional Co-creation Project**

Reactionary fall in sales of flow-type product and entrusted services.

Stock-type services remained firm.

FY24 Actual 【16.1 billion yen】	Compared to FY23	-0.2 billion yen (-1.5%)
	Compared to Forecast	-0.7 billion yen (-4.2%)



Business Overview

- **GIS packages** ↗ [Stock-type]
 - ✓ Sales increased due to price revision and increase of new contracts before price revision
(Sales 4.2 billion yen, Compared to FY23 + Approx. 0.6 billion yen)
- **Printed Residential maps** ↘ [Flow-type]
 - ✓ Sales decreased due to the product shift to stock-type services and drop in the number of publications due to update cycle revision, etc.
- **Entrusted services** ↘ [Flow-type]
 - ✓ Sales of entrusted services dropped due to a reactionary fall in sale of a major project which had been booked over last several years until previous fiscal year.
- **Stock-Flow ratio at the end of FY24** Stock : Flow = [5 : 5]

ZGP25 Goal

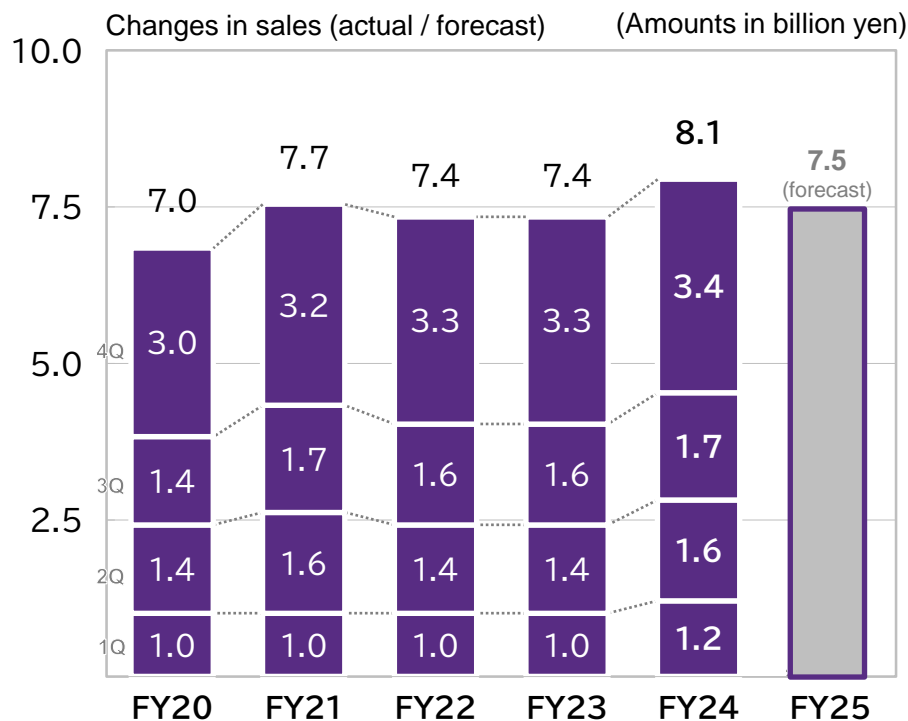
Expand the sales ratio of stock-type products to 70% of net sales.

Initiatives for FY25

- ❑ **GIS packages**
 - Increase the number of contracts by expanding product lineup and strengthening sales activities.
 - Start selling “GIS Package Sales Support” from April 2024.
- ❑ **Effect of price revision**
 - Expect increase in sales through full-scale application of revised prices, including residential map data.

Provision of residential map data and entrusted services, for government offices and local governments increased.

FY24 Actual **[8.1 billion yen]**
 Compared to FY23 **+0.6 billion yen (+8.9%)**
 Compared to Forecast **+0.4 billion yen (+5.8%)**



Business Overview

- **Provision of residential map data** ↗ [Flow-type]
 - ✓ Provision of residential map data to government offices and local governments increased.
 - ✓ (Includes the impact of lump-sum appropriations according to contracts)
- **Entrusted services** ↗ [Flow-type]
 - ✓ Entrusted services for local governments increased.
- **Stock-type services for local governments** ↗ [Stock-type]
 - ✓ Steadily expanding, currently introduced in more than 400 municipalities

ZGP25 Goal

Increase sales through a shift from flow-type businesses to stock-type businesses and provide entrusted solutions.

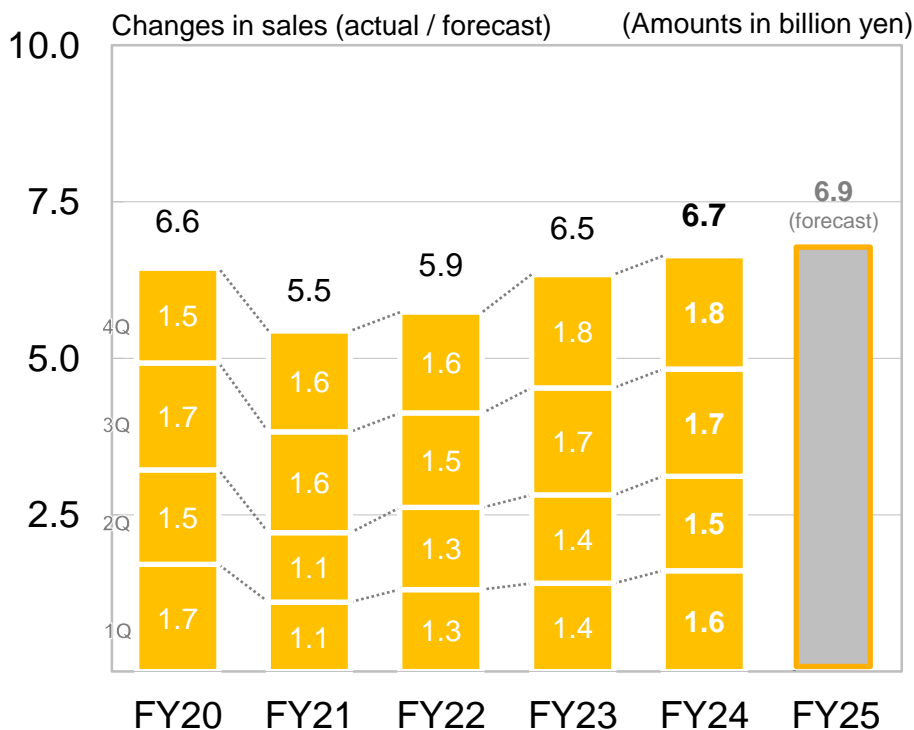
Initiatives for FY25

- While expecting lower sales in a reaction to the increase in orders received in FY24, aim to build a stable revenue base by strengthening stock-type services (*).
 (* “ZENRIN Residential Map LGWAN”
 “Municipal dedicated Residential Map for WEB”, etc.)
- Develop applications that contribute to solving local issues and aim for penetration of our maps in local governments and the creation of a platform for them.

Due to the recovery in demand from customers, sales promotion and advertisement were strong. Consulting services were also expanding.

FY24 Actual
【6.7 billion yen】

Compared to FY23 **+0.2 billion yen (+4.2%)**
Compared to Forecast **+0.0 billion yen (+1.3%)**



Business Overview

- **DM dispatch service** ➡ [Flow-type]
 - ✓ The number of contracts increased following the recovery (expansion) of sales promotion activities of customers.
- **“RakuRaku sales promotion map”** ➡ [Flow-type/Stock-type]
 - ✓ “Selection services,” a version of “RakuRaku sales promotion map” with added optional area analysis and posting services, performed well.
- **Consulting services** ➡ [Flow-type/Stock-type]
 - ✓ Contracted development projects for marketing support services were strong.
 - ✓ Sales of packaged products for multi-store development also increased.

ZGP25 Goal

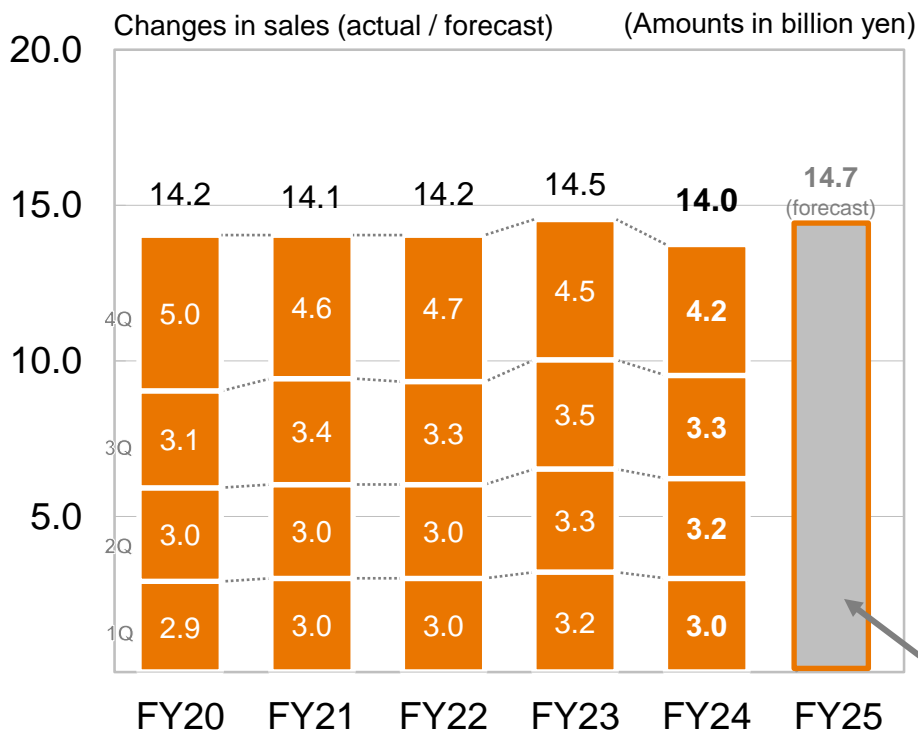
Expand revenue by solving sales promotion issues of regional SMEs and sole business proprietors.

Initiatives for FY25

- ❑ Continue to promote the sales of sales promotion support packages through expansion of target industries.
- ❑ Provide and expand high value-added services by first offering packages.

Reactionary fall in entrusted services from strong results in the previous fiscal year and the discontinuation of certain services provided by subsidiaries.
Introduction of ZENRIN Maps API expanded.

FY24 Actual	Compared to FY23	-0.5 billion yen (-3.6%)
【14.0 billion yen】	Compared to Forecast	-0.8 billion yen (-5.7%)



Business Overview

- **Solution services for large corporations [Flow-type ↘ /Stock-type ↗]**
 - ✓ Sales decreased due to downsizing of some existing deals, and entrusted services saw a drop in sales due to the reactionary effect of a large-scale project booked in preceding fiscal year, etc.
- **Part of services provided by subsidiaries discontinued**
 - ✓ Termination of the service of the merchandising-related mail-order site (August 2022)
- **ZENRIN Maps API ↗ [Stock-type]**
 - ✓ API that enables direct use of our database and functions.
 - ✓ Increasing number of companies are using it, driven by the need to DX their business operations.

ZGP25 Goal

Expand sales by strengthening industry-specific solutions utilizing "ZENRIN Maps API."

Initiatives for FY25

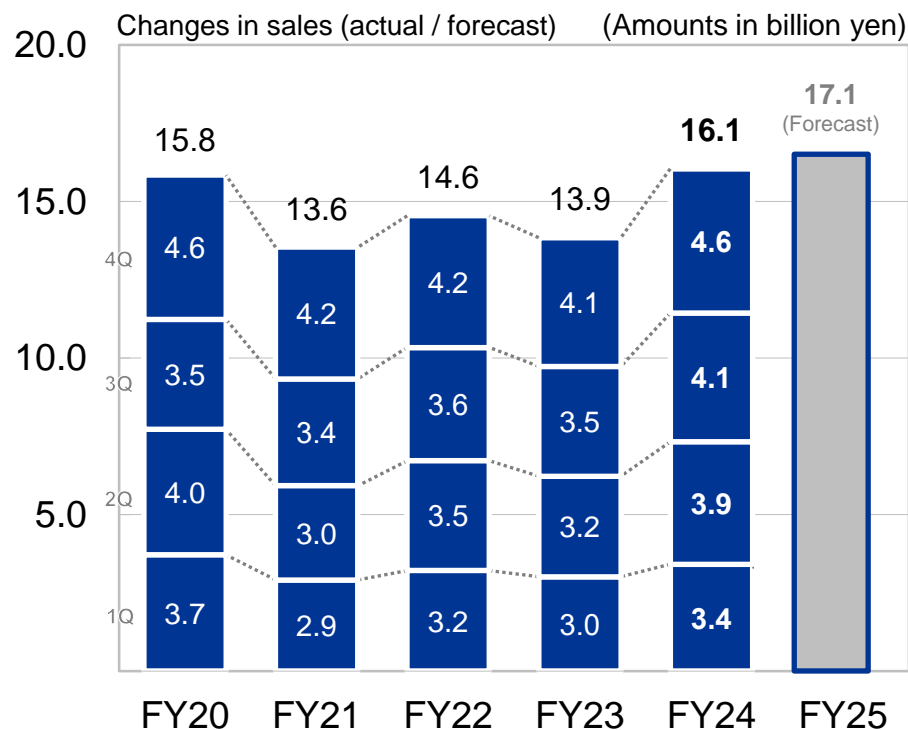
- **IoT solution business**
 - Strengthen new customer development
- **ZENRIN Maps API**
 - Expand functions and services, including the addition of solution packages optimized for each industry/business, and promote a shift to a stock-type business.

The impact of Will Smart Co., Ltd. changing from a consolidated subsidiary to an equity-method affiliate upon its listing on the stock exchange (April 2024) on this business: approx. 1 billion yen (based on Will Smart's sales in the previous fiscal year).

Thanks to recovery in automobile production, sales of data for in-car navigation systems picked up.

FY24 Actual
【16.1 billion yen】

Compared to FY23 **+2.2 billion yen (+16.0%)**
Compared to Forecast **+0.3 billion yen (+ 2.4%)**



Business Overview

- **Providing data for in-car navigation systems** [Flow-type]
 - ✓ Sales recovered to the level before the coronavirus pandemic with the recovery of automobile production.
 - ✓ Sales of models using our data were generally in line with our initial forecast, despite factors that reduced automobile sales, such as the suspension of shipments.

Reference: Japan Automobile Dealers Association, Japan Mini Vehicle Association
Domestic automobile sales (April 2023 - March 2024):
4.53 million units (+3.3% YoY)
- **Growing demand for EV contents**
 - ✓ Sep. 2023: Announced alliance with Panasonic HD to contribute to EV diffusion and began providing “EV Charge Demand Map”.

ZGP25 Goal

Expand the business domains and create high-added value through ADAS content.

Initiatives for FY25

- **Increase unit price by adding higher added value**
 - Strengthen proposals of EV/ADAS contents
 - Expand the business domain by developing navigation apps that support connected environment.
- **Expand market share**
 - Further strengthen proposals to manufacturers that have not yet adopted our data to switch to our offerings.

6) Progress of Regional Co-creation Project

Regional Co-creation Initiatives

Through relationship building and collaboration with local stakeholders, “uncover local issues” and achieve both “provision of solutions to local issues using map information” and “sustainable business” at the same time.

Latest Initiative

Creating products and services that solve local issues in pilot regions

Goal

Develop them into general-purpose functions and then expand them to other regions.

Local government

Regional stake holder

Local businesses

Progress/Achievements (July 2021 - Present)

■ Build relationships starting with the signing of cooperation agreements

- ▶ Regular reporting meetings with the local authority, participation in regional projects as a starting point for application development

■ Identify 10 service development themes inspired by local issues through collaboration with the local government and local businesses.

- ▶ For each theme, jointly build customized services by developing applications based on the map API. Identify opportunities for application development and general-purpose functionality as a stock-type service.

Examples of collaboration themes

Multiple projects are to go live by the end of this fiscal year.

■ Support for vacant houses

Develop tools for locating vacant houses by combining information held by local authorities with spatial information and establish countermeasures.

■ Support for improving the efficiency of regional public transportation

Build historical data analysis tools for transportation IC cards, administrative policy analysis, build area marketing tools.

■ Support for regional analysis

Normalize various types of data in urban planning areas and build a visualization tool for regional information using private-sector data.

■ Support for urban planning policy analysis

■ Improving efficiency of regional patrol operations

...and more

■ MaaS service for tourism “STLOCAL”

- ▶ With the cooperation of local businesses, the app attracts customers → Send customers to actual stores → Realize a scheme that creates benefits for both stores and tourists
- ▶ Adopted as the official app for the “2024 Nagasaki Lantern Festival” → Contributed to the promotion of local tourism

■ Appendix

【Results for the Fiscal 2024】

1. Changes in Net Sales, Income and Profit
2. Changes in Composition of Net Sales by Quarter
3. Amount of Capital Investment, Depreciation and R&D Cost

【Earnings Forecast for Fiscal 2025】

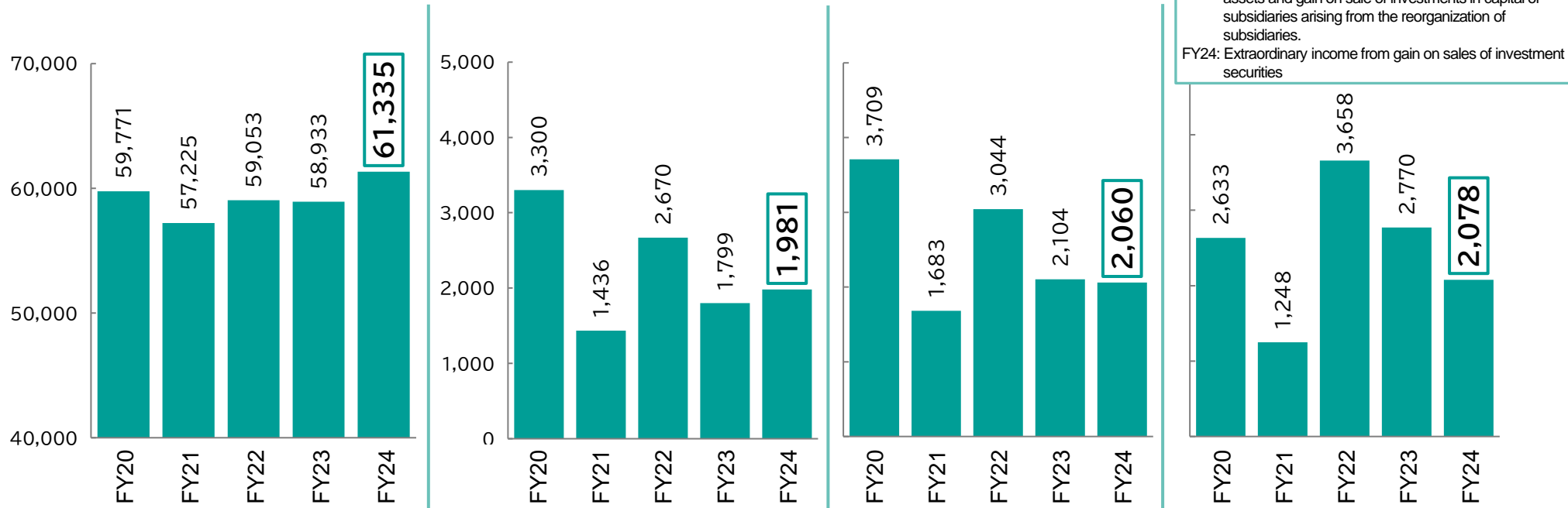
4. Changes in Net Sales by business
5. Amount of Capital Investment, Depreciation and R&D Cost

【Performance trends】

6. Consolidated performance trends
7. Changes in Performance trends

1. Changes in Net Sales, Income and Profit

(Amounts in million yen)



FY22: Extraordinary income from gain on sales of investment securities
 FY23: Extraordinary income from gain on sale of non-current assets and gain on sale of investments in capital of subsidiaries arising from the reorganization of subsidiaries.
 FY24: Extraordinary income from gain on sales of investment securities

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Compared to FY23 (% of Changes)	+2,401 (+4.1%)	+182 (+10.1%)	-44 (-2.1%)	-692 (-25.0%)

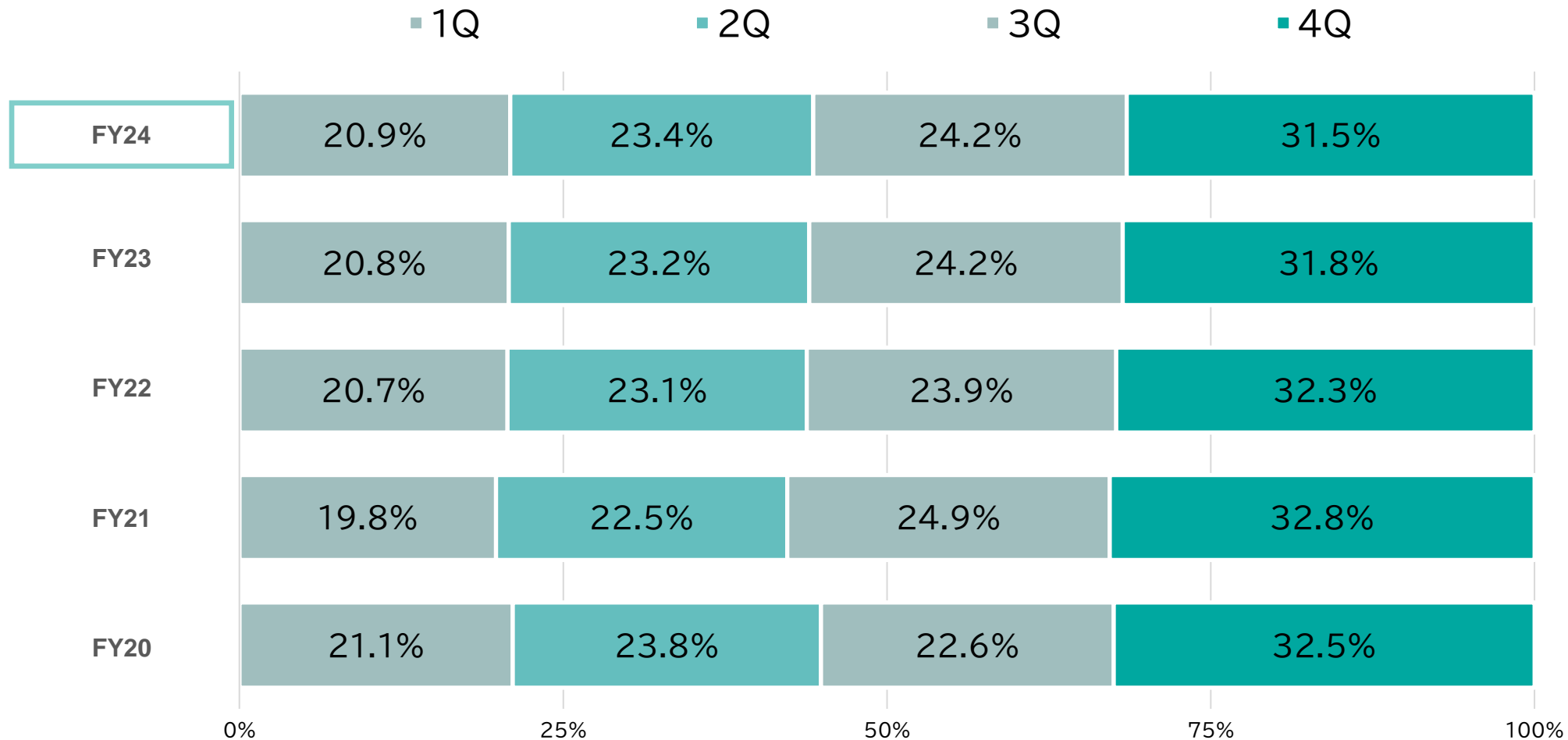
Increase in sales for the first time in 2 fiscal years

Increase in income for the first time in 2 fiscal years

Decrease in income and profit for 2 consecutive fiscal years

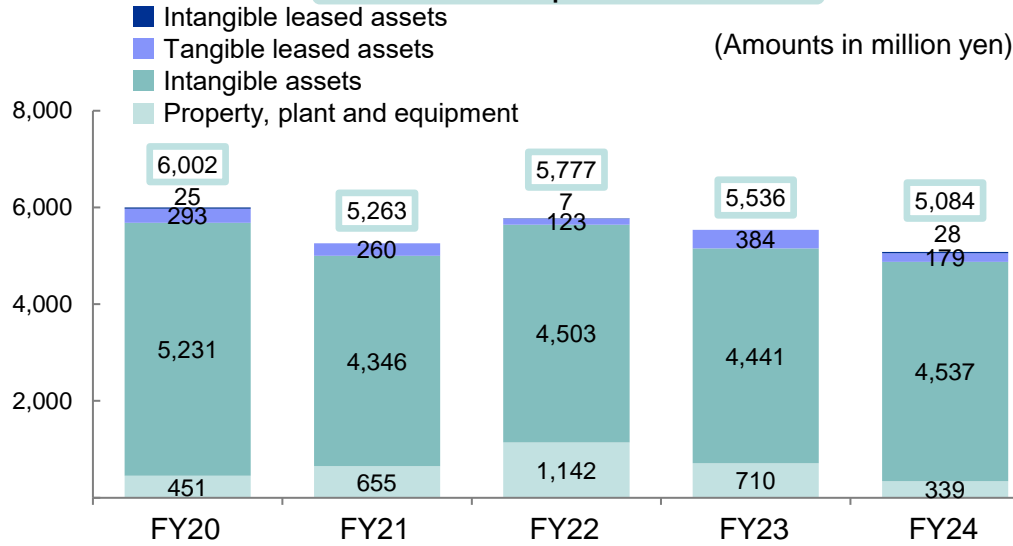
2. Changes in Composition of Net Sales by Quarter

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

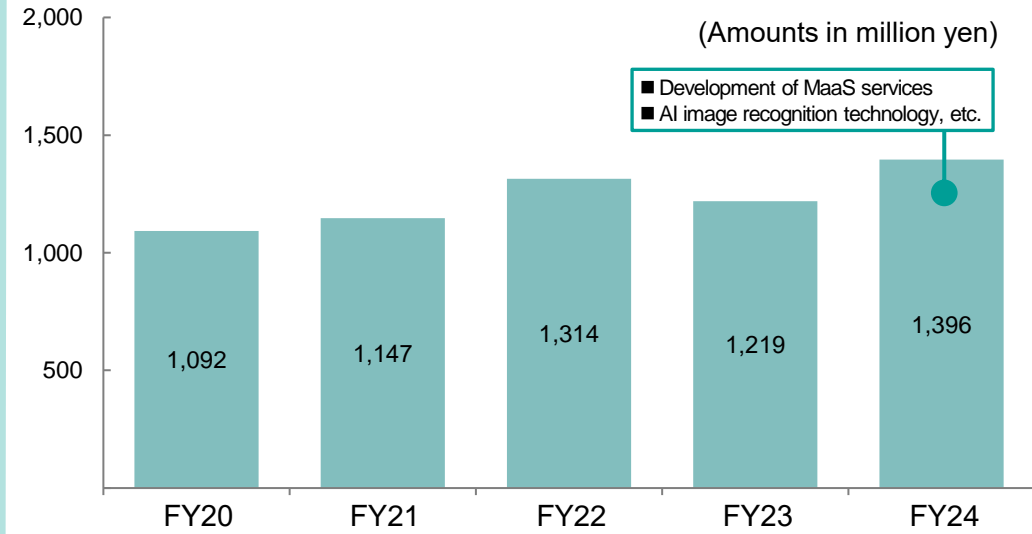


3. Amount of Capital Investment, Depreciation and R&D Cost

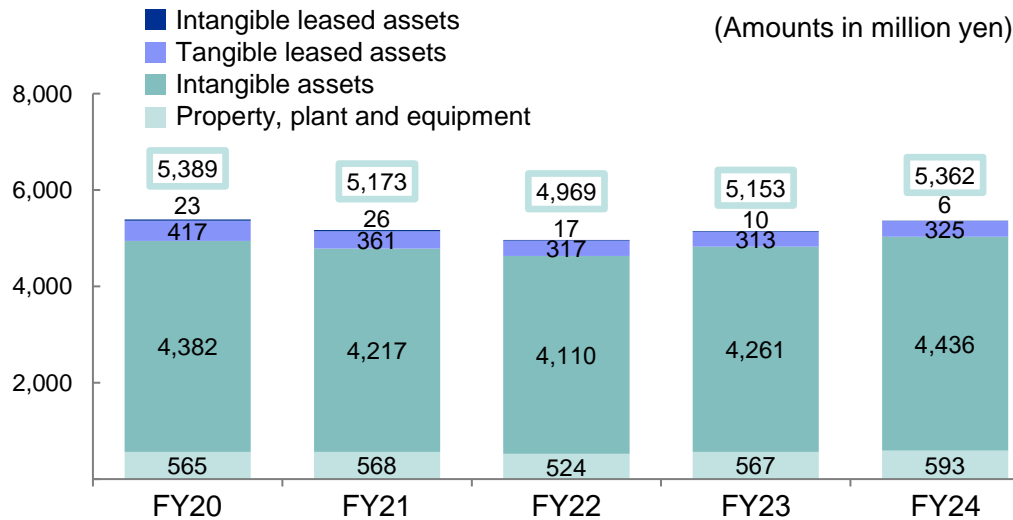
Amount of Capital Investment



R & D Cost

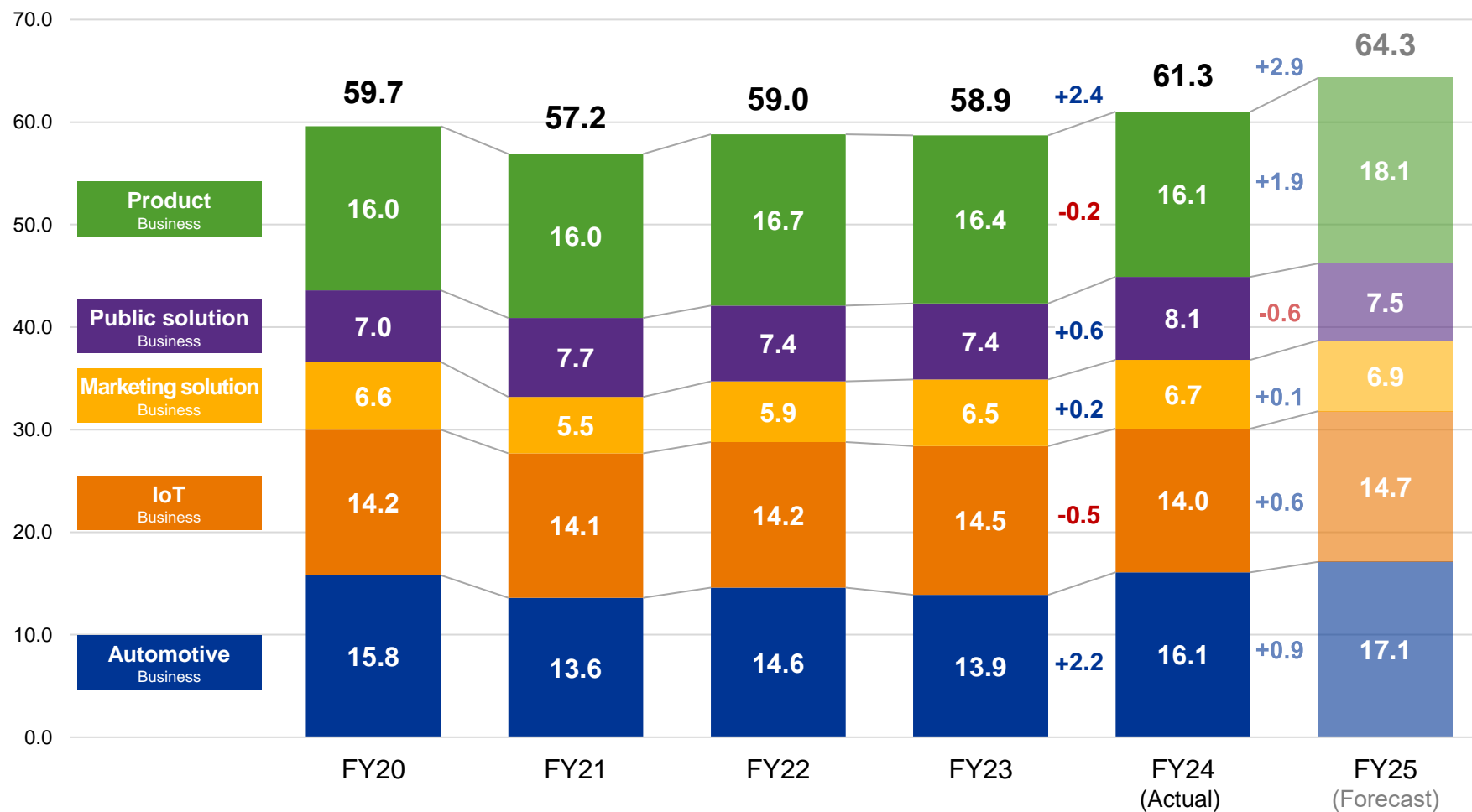


Depreciation



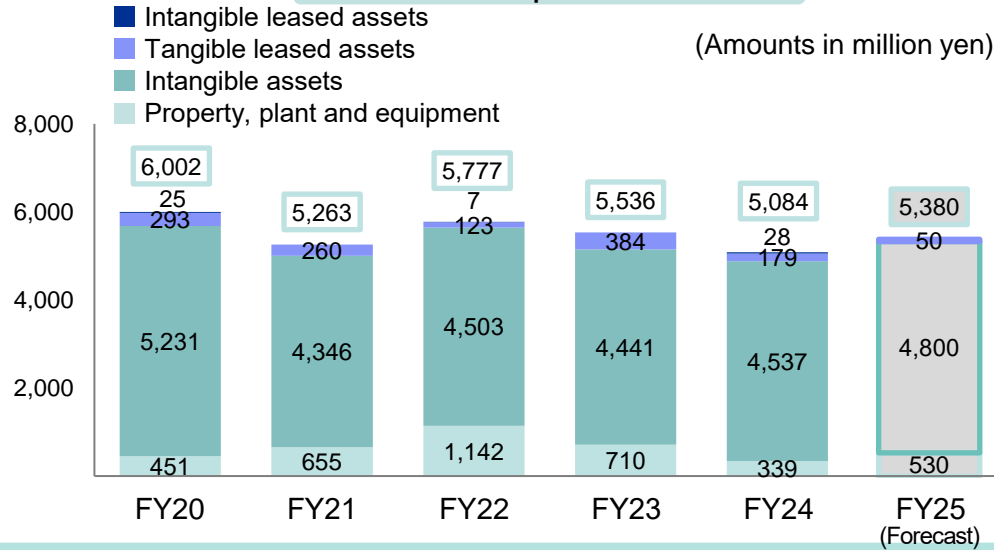
4. Changes in Net Sales by business

(Amounts in billion yen)

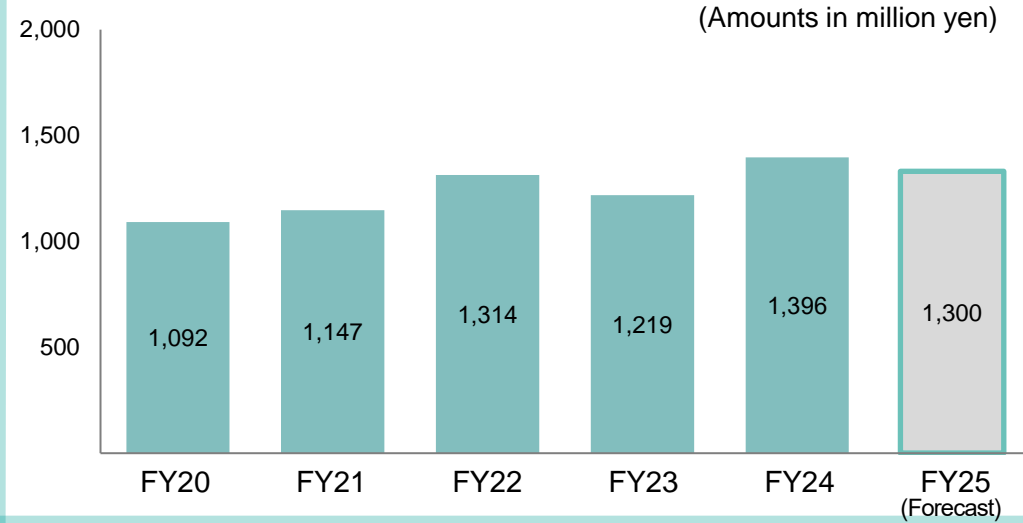


5. Amount of Capital Investment, Depreciation and R&D Cost

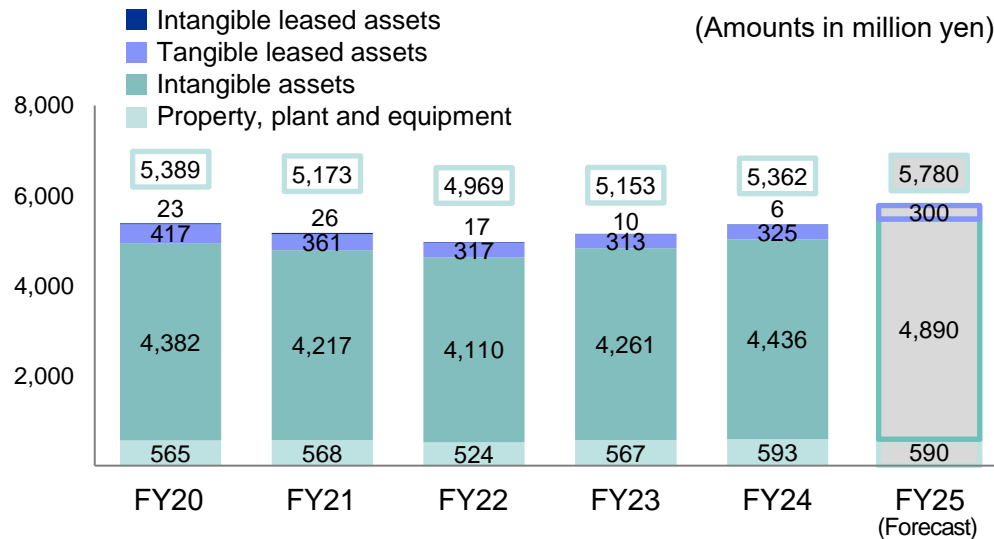
Amount of Capital Investment



R & D Cost



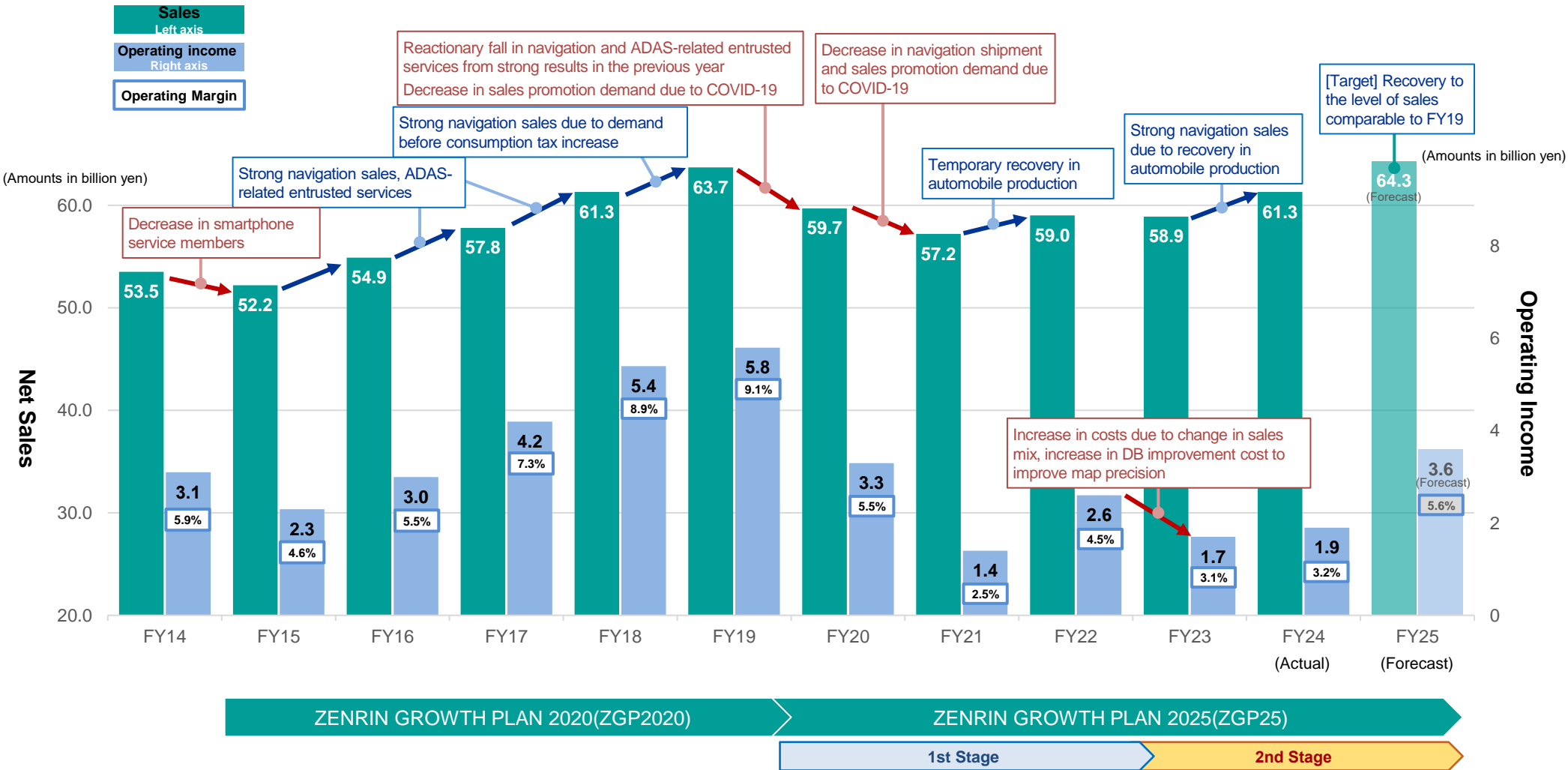
Depreciation



6. Consolidated performance trends

		FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25 (forecast)
Net Sales	million yen	52,286	54,970	57,819	61,332	63,747	59,771	57,225	59,053	58,933	61,355	64,300
Operating Income	million yen	2,389	3,038	4,234	5,441	5,824	3,300	1,436	2,670	1,799	1,981	3,600
Operating Margin	%	4.6	5.5	7.3	8.9	9.1	5.5	2.5	4.5	3.1	3.2	5.6
Ordinary Income	million yen	2,751	3,427	4,527	5,863	6,200	3,709	1,683	3,044	2,104	2,060	3,700
Profit Attributable to Owners of Parent	million yen	1,464	1,610	2,462	3,336	3,206	2,633	1,248	3,658	2,770	2,078	2,500
ROE (Return On Equity)	%	3.9	4.0	6.0	8.2	8.1	6.6	3.0	8.1	5.9	4.4	5.0

7. Changes in performance trends



ZENRIN

Maps to the Future

ZENRIN CO.,LTD.

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