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ZENRIN

Securities Code: 9474

Business Overview for the First 2 Quarters of Fiscal 2025

(Year Ended March 31, 2025)

Dec. 9, 2024

ZENRIN Co., Ltd.

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 “-.”

■ Business Overview

1. Product
2. Public Solution
3. Marketing Solution
4. IoT
5. Automotive

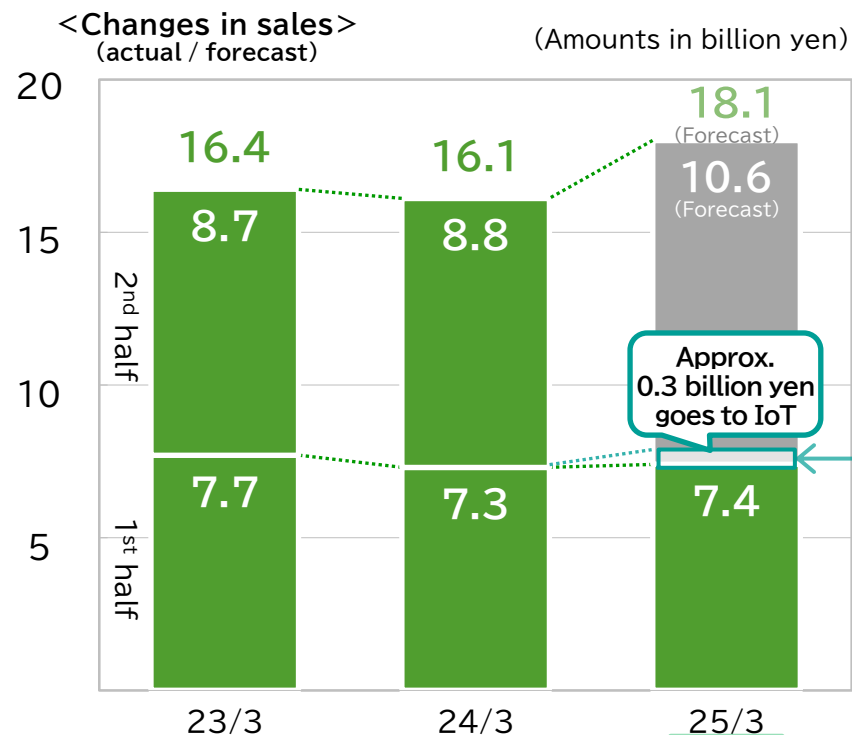
Please refer to this document for details of the financial results for the first 2 quarters, full-year earnings forecasts and other relevant information.

<https://www.zenrin.co.jp/english/ir/pdf/25s2-pme.pdf>

Actual results for 2Qs of FY25

7.4 billion yen YoY **+0.1 bil. yen (+1.4%)**

- Stock-type service performed well, but decline in flow-type products sales & shift to API kept the overall result on par with previous year's.

**Business Overview for 1st half of FY25**

- GIS package **[Stock-type]** **¥2.5 billion for 1st half of FY25**
(Reference: ¥4.2 billion at the end of FY24)
 - ✓ Price revisions were applied as planned, including for existing customers.
 - ✓ A new lineup debuted in 1st half of FY25, expanding our offerings to six series.
- Printed Residential Map / Data provision / Entrusted services **[Flow-type]**
- Impact of the shift to ZENRIN Maps API **(Approx. -0.3 bil. yen)**
 - ✓ Efforts are underway to propose API adoption to existing customers who previously relied on standalone data offerings or GIS packages.
 - Post-transition, net sales will be recorded under the IoT business, leading to a decline in the product business's net sales.

Supplemental info :ZENRIN Maps API Overview →[P16]

Initiative for 2nd half of FY25

- GIS package
 - Releasing add-on features* to enhance convenience for existing customers and drive upselling efforts.

*Released on 11/6: Registration information retrieval feature for "GIS Package Real Estate," available for an additional ¥1,100/month.
- Alongside stock-type services and API proposals supporting corporate DX, traditional product offerings are also being promoted.

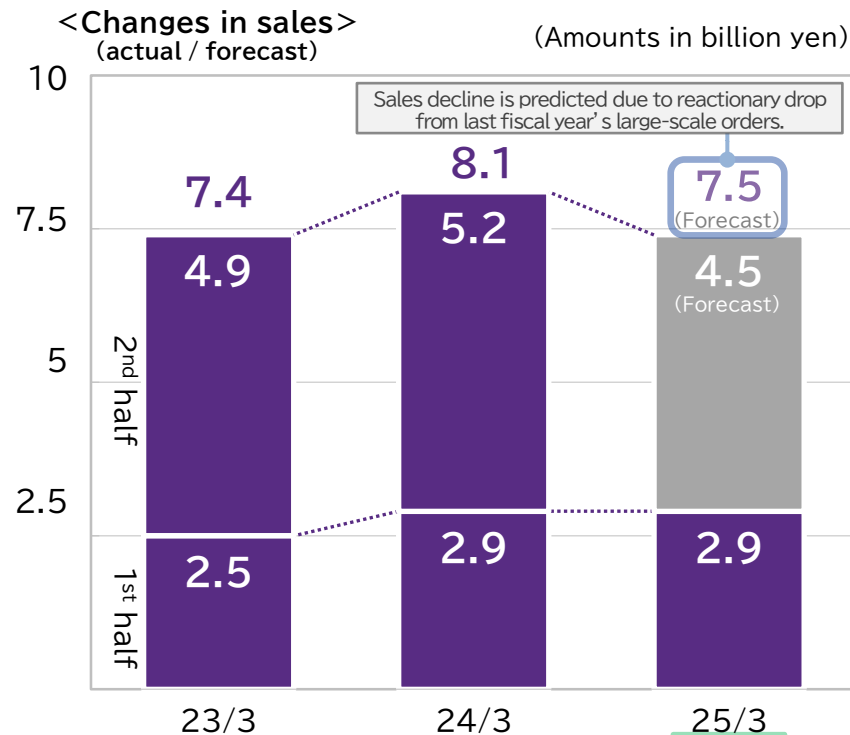
ZGP25 Goal

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

Actual results for 2Qs of FY25

2.9 billion yen YoY **+ 0.0 bil. yen (+1.1%)**

- Despite a decline following last year's large-scale entrusted projects, increased map data provision and new contracts kept performance on par with the previous year.



Business Overview for 1st half of FY25

- Provision of residential map data ➡ [Flow-type]
 - ✓ Provision of residential map data local governments increased.
 - Entrusted services ➡ [Flow-type]
 - ✓ Custom map production contracts, survey contracts, and DX-related projects increased.
- (Examples)
- [Disaster Prevention] Amendments to related laws such as the Flood Control Act → Revision of damage prediction areas → Updates to hazard maps.
 - [Surveying] Amendments to the Vacant Houses Countermeasures Act → Commissioned for regular cycle information updates.
 - [Digital Transformation (DX)] Tasks commissioned due to the digitization and systemization of municipal paper ledgers (e.g., task outsourcing, address data cleansing/normalization).
 - [Smart City] Case study in Chichibu City, Saitama Prefecture: Social implementation of shared delivery, drone logistics, and on-demand transportation.

Initiative for 2nd half of FY25

- Net sales is expected to decline year-on-year due to the reactionary drop from last fiscal year's large-scale orders. However, efforts are focused on strengthening stock-type services* to build a stable, mid-term sales foundation.
 - Leveraging municipal relationships established through disaster support agreements (759 municipalities) and stock-based services* (approximately 500 municipalities), ZENRIN is actively proposing DX solutions to address regional challenges.
- *Examples: "Zenrin Residential Map LGWAN" and "Residential Maps for WEB"

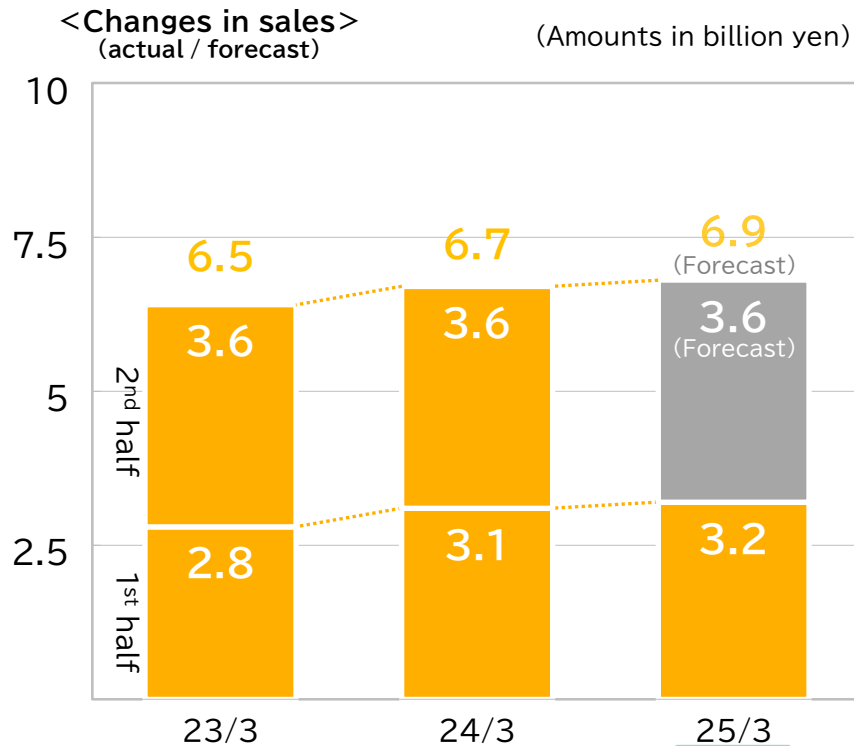
ZGP25 Goal

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

Actual results for 2Qs of FY25

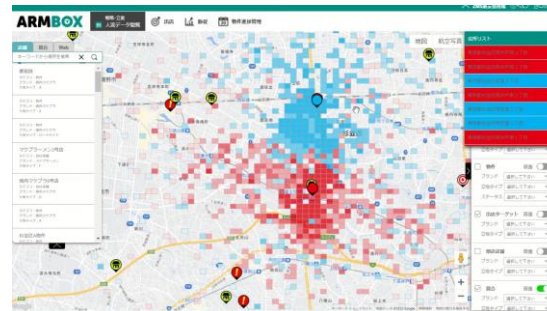
3.2 billion yen YoY **+0.0 bil. yen (+1.2%)**

Sales promotion supporting services were robust



Business Overview for 1st half of FY25

- “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]
 - ✓ Marketing support packages and consulting services are being offered to companies with multiple store locations.



(Industry examples)

[Retail] Supermarkets, drugstores, restaurants, furniture, apparel, pet shops, car accessories, mobile sales, etc.

[Entertainment] Video games, pachinko parlors, etc.

[Services] Beauty salons, laundromats, fitness centers, auto repair, car sharing, coin parking, real estate, mobile sales, wedding and funeral services, buy-and-sell shops, storage units, transportation services, etc.

Initiative for 2nd half of 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.

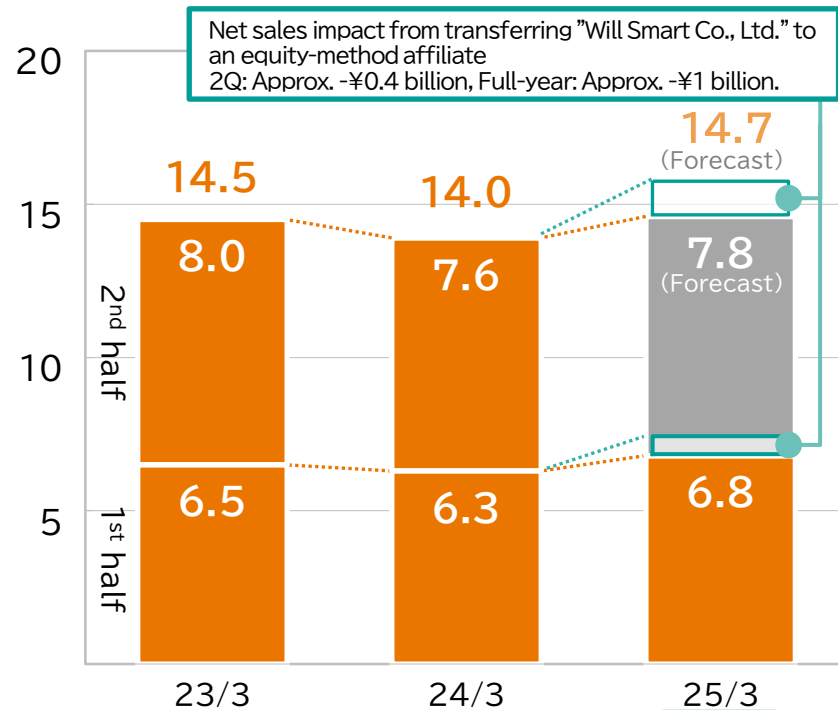
ZGP25 Goal

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

Actual results for 2Qs of FY25

6.8 billion yen YoY **+0.4 bil. yen (+6.6%)**

- ZENRIN Maps API performing well
- Solution Services also performing well

<Changes in sales>
(actual / forecast) (Amounts in billion yen)

Business Overview for 1st half of FY25

- **ZENRIN Maps API** [Stock-type] (End of FY24: ¥0.3 billion → 1st half of FY25: ¥0.5 billion)
By integrating with customer business systems/websites, this development tool allows access to the latest map data and advanced location-based features from the ZENRIN database server. Compared to full scratch development, it enables cost-effective and rapid system construction.
 - ✓ Increasing number of companies are using it, driven by the need to DX their business operations.
 - ✓ In addition to new customers, existing customers in the product business are transitioning to this solution.
- **Solution services for large corporations** [Initially Flow-type] [Operationally Stock-type]
 - ✓ Slight increase in commissioned development.
 - ✓ Through DX proposals utilizing map data, such as address cleansing (normalization) for logistics (delivery support systems) and business DX, the solution helps customers solve their challenges.

Initiative for 2nd half of FY25

- **Solution services for large corporations**
 - Strengthening proposals and development for major logistics companies.
- **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.

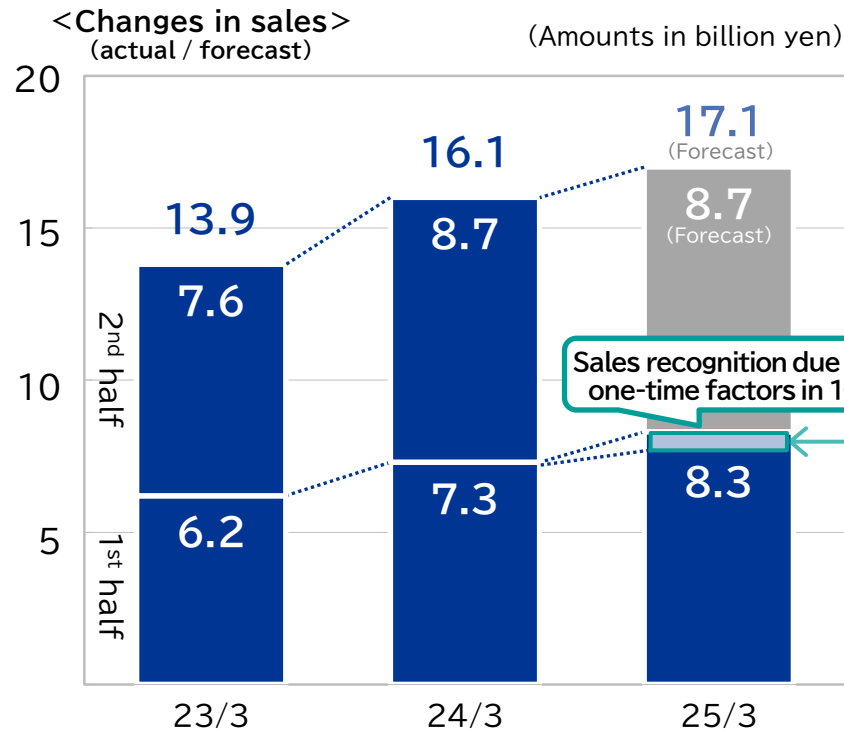
ZGP25 Goal

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

Actual results for 2Qs of FY25

8.3 billion yen YoY **+0.9 bil. yen (+13.0%)**

- Along with increased data provision for car navigation systems, 1Q saw a temporary rise due to one-time factors.

**Supplement: [Revenue Recognition Process for Navigation Business]**

1. Receive reports from customers on the number of units shipped (sold) using our data adoption model.
2. Multiply the reported units by the license unit price, issue an invoice, and recognize the net sales.

Domestic car sales: 2.16 million units (Previous year: 2.22 million units, -2.6%)

(Source: Japan Automobile Dealers Association & Japan Light Motor Vehicle and Motorcycle Association, April 2024 – September 2024)

Business Overview for 1st half of FY25

- Providing data for car navigation systems [Flow-type]
 - ✓ Despite an end to this market recovery cycle and the impact of some manufacturers halting shipments, increased market share from more adopted navigation models and price hikes from bundled apps contributed to revenue growth.
 - While 1Q saw strong sales with certain manufacturers, 2Q is approaching the same level as previous year, and the outlook for the second half and full-year remains uncertain.
- For 1Q, sales from underreported quantities in previous years were recognized (one-time factor)
 - ✓ A specific manufacturer reported underreported shipments over the past few years, and sales for the shortfall were recognized in 1Q.
- Strengthening EV-related Co-Creation (Alliance)
 - ✓ 8/29: Pioneer and Zenrin strengthen collaboration to address industry mobility challenges.
 - ✓ 9/20: Mitsubishi Motors and ZENRIN group launch Japan's first "EV behavior analysis report" using EV driving/charging data and map information.

Initiative for 2nd half of FY25

- Price increase through higher added value
 - Strengthen proposals for EV/ADAS content.
- Expanding market share
 - Continue to propose switching to our data for manufacturers not yet using it.

ZGP25 Goal

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

ZENRIN

Maps to the Future

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