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FOR IMMEDIATE RELEASE

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Rolling Plan for Medium- to Long-Term Business Plan "ZENRIN GROWTH PLAN 2025"

ZENRIN Co., Ltd. (Head Office: Kitakyushu City, Fukuoka Prefecture, President and CEO: Zenshi Takayama, hereafter "ZENRIN") announces that, regarding the medium- to long-term business plan "ZENRIN GROWTH PLAN 2025" (hereafter "ZGP25"), of which ZENRIN is currently in the 1st Stage (from fiscal 2020 through fiscal 2022), the rolling plan for the 2nd Stage (from fiscal 2023 through fiscal 2025) was resolved at the board of directors meeting held today based on the results of the 1st stage as follows.

1. Progress of ZGP25 1st Stage

In ZGP25, ZENRIN has set up and worked on the following three basic policies under the theme of "optimization of 'quality and quantity' in network society."

1. To create value from "activities" by connecting usage applications in business activities
2. To promote diversification of "goods" by connecting location information in production activities
3. To develop human capital from "people" by connecting individual wisdom to support business and production activities

Positioning the 1st Stage from the fiscal year ending March 31, 2020 through the fiscal year ending March 31, 2022 as the "Business model transformation period," ZENRIN has been working to enhance values to customers and strengthen the earnings base through the selective use of business models.

(Main achievements and issues in the ZGP25 1st Stage)

- As the result of efforts to plan and expand sales of packaged products, the shift from flow-type business to stock-type business has steadily progressed.
- With the development of the circulation platform, an environment has been created in which various spatial information can be retrieved according to the various functions of the services. This has made it possible to develop applications and provide packaged products for solving business problems of companies.
- In addition, ZENRIN has begun to develop a high-precision 3D map database that is indispensable for the realization of automated driving/safe driving support systems (AD/ADAS), drone operation management, smart cities, etc., and has also been actively involved in the alliance business.
- ZENRIN also took on the challenge of consumer business fields such as the map design business and tourism-type MaaS, and strengthened individual initiatives for new business areas.
- On the other hand, ZENRIN believes that the results were severe in terms of business performance due to the spread of COVID-19 infection and the impact of reduced production and

sluggish sales of automobiles. ZENRIN recognizes that the automotive business and marketing solution business are greatly affected by changes in the external environment, and improving profitability through our own services, including stock-type services, is our top priority.

2. Overview of ZGP25 2nd Stage

ZENRIN Group's policy is sustainability management, which aims for sustainable corporate growth by supporting the resolution of social issues through the provision of location information. In the 2nd Stage, which is the three period from the fiscal year ending March 31, 2023 through the fiscal year ending March 31, 2025, ZENRIN will first aim to recover the sluggish business performance due to the COVID-19 pandemic in order to leap to the next growth stage. Furthermore, ZENRIN will work on innovation of location information to create new value by optimizing location and information in circulation for the social issues that have become apparent.

(Initiatives to achieve the goal)

I. Business policy

- ZENRIN will stabilize the profitability of existing businesses by;
 1. Expanding stock-type services by launching packaged products and on-demand services that capture market needs
 2. Expanding our market share in the existing navigation business.
- ZENRIN will promote profit growth by providing solutions for problems in the real estate, logistics, financial industries, etc.
- ZENRIN will aim to monetize by establishing business models to support the resolution of regional issues such as smart cities and drone logistics.
- ZENRIN will accelerate its efforts in consumer businesses such as tourism-type MaaS and map design products, and continue to invest in commercialization.

II. Production policy

In order to respond widely to smart cities, DX promotion in overall society, and a diversifying mobility society, ZENRIN will build up a high-precision network database that collects and manages all information related to location and connects it appropriately.

ZENRIN will continue to work on improving the accuracy of spatio-temporal information with diversity and expandability so that spatial information that is the basis of network databases and information in circulation in the world can be connected agilely and utilized flexibly.

III. Organizational and personnel policies

ZENRIN aims to be a corporate group that is trusted by stakeholders, in which diverse human capital vigorously playing active roles in a vibrant organization.

In the ZENRIN Group, we consider that fostering human capital who can respond to management strategies and changing business environments is the material for value creation, and by introducing and operating various systems that contribute to improving the level of employee engagement, ZENRIN will continue to work on "reform of job satisfaction".

Furthermore, with the aim of reducing the environmental burden, ZENRIN will work to reduce greenhouse gas emissions in our business activities.

IV. Financial policy

While maintaining a sound financial base by securing profits and improving asset efficiency, ZENRIN will continue to invest in the location information business field in order to strengthen our business base and return profits to shareholders based on profit growth.

(Performance Targets)

In ZGP25 2nd Stage, ZENRIN will work on recovering investments and improving operating profit margin as a priority issue by expanding stock-type services, creating various services and solutions from the circulation platform, and embodying business models.

(Amounts in billion yen)

	FY2023 (Forecast)	FY2024 (Target)	FY2025 (Target)
Consolidated Net Sales	60.5	62.3	63.8
Consolidated Operating Income	3.0	4.0	5.8
Consolidated Operating Margin	5.0%	6.4%	9.1%
ROE	5.3%	5.1%	7.3%
DOE	3% or higher	3% or higher	3% or higher

(Basic Policy of Shareholder Return)

Concerning income distribution, positioning the returning of income to shareholders as a top priority, the ZENRIN Group adopts a basic policy of implementing stable, uninterrupted payments of dividends derived from income growth based on the medium- to long-term business plan on a consolidated basis. In line with this policy, the ZENRIN Group will set dividend on equity (DOE) on a consolidated basis of 3% or higher as the target.

By continuing to consider purchasing treasury shares and other undertakings with the aim of ensuring an agile capital policy and enhancing capital efficiency, the ZENRIN Group will return income to shareholders in accordance with the level of income, while taking into account the maintaining of an adequate amount of internal reserves.

The internal reserves will be used for capital investment, research and development investment and other expenditures that are indispensable for business development in the future in order to keep pace with the rapid market changes.

Please refer to the attachment for the details ZGP25.

[Disclaimer]

Any forward-looking statements contained in this document reflect the judgment of ZENRIN Co., Ltd. based on information currently available to ZENRIN Co., Ltd., and involve current or future risks and uncertainties. Actual results may vary significantly from these statements due to changes in various factors. The potential risks and uncertainties underlying such include, but are not limited to, changes in economic conditions, changes in legal regulations, delays in the development of new products, changes in customers, and natural disasters.

ZENRIN

Securities Code: 9474

Rolling Plan for Medium- to Long-Term Business Plan

ZENRIN GROWTH PLAN 2025

ZGP25 2nd Stage (FY2023 to FY2025)

April 28, 2022

1. Progress of ZGP25 1st Stage

2. Overview of ZGP25 2nd Stage

Appendix. Basic Policy of ZGP25

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.

1. Progress of ZGP25 1st Stage

- 1) Basic Policy
- 2) Basic Policy (ZIP as Business Platform)
- 3) Scope and Structure of ZGP25
- 4) Major Results and Challenges of ZGP25 1st Stage
- 5) Net Sales by Business under the ZGP25 1st Stage

Optimization of “quantity and quality” in network society

~ Create values through the optimization of location information and information in circulation ~

Business
(Activities)

**Real
network**

I. Create value from “activities” by connecting usage applications

Production
(Goods)

**Location
network**

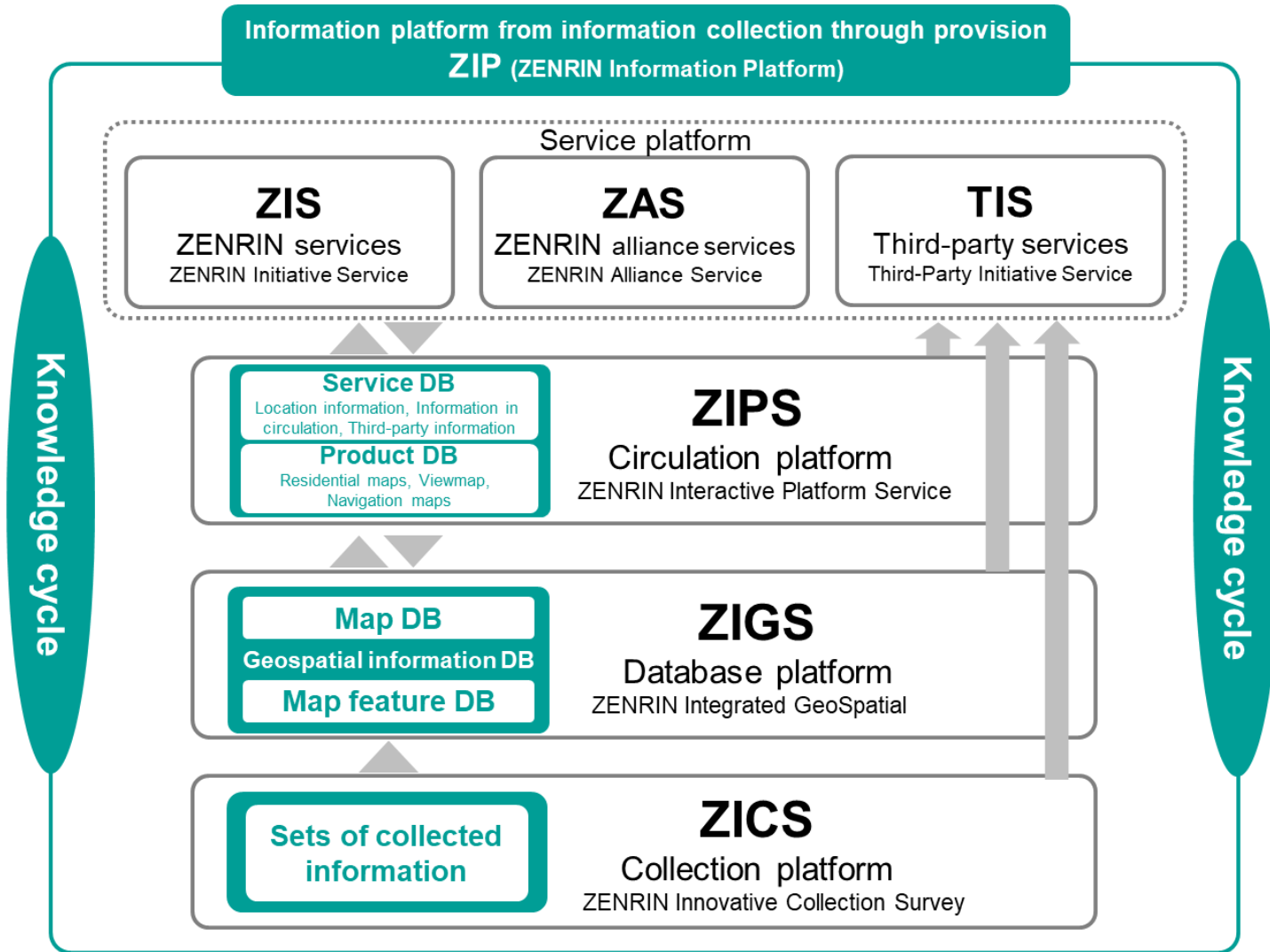
II. Promote diversification of “goods” by connecting location information

Function
(People)

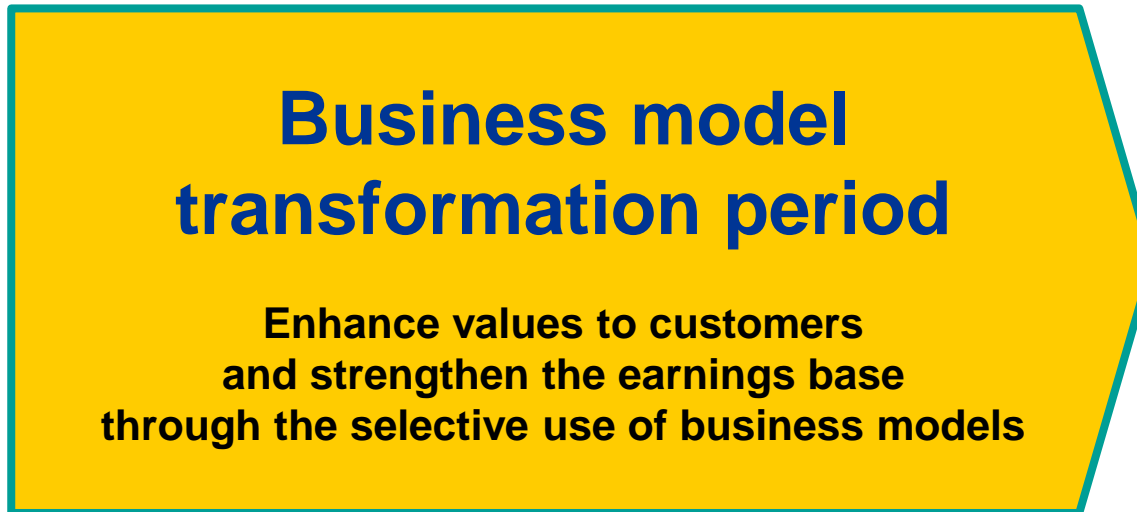
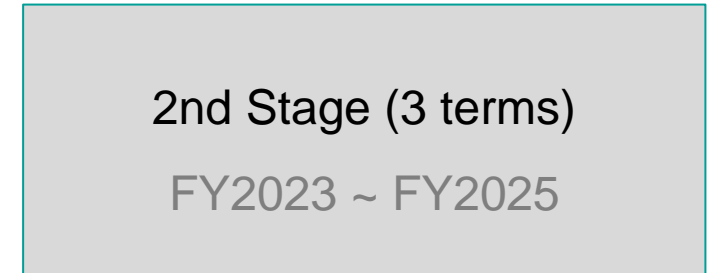
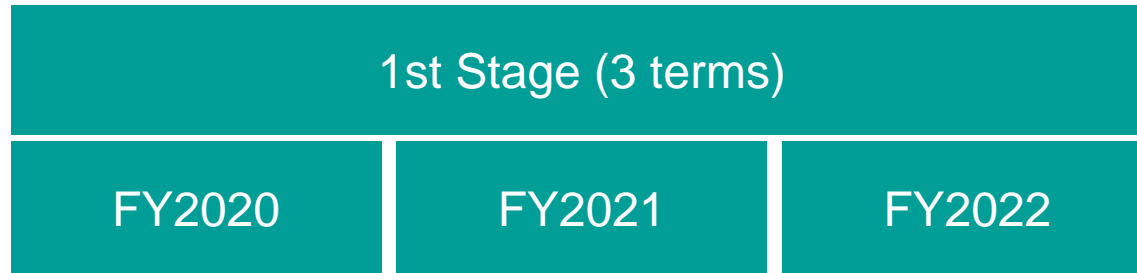
**Human
network**

III. Develop human capital from “people” by connecting wisdom of individuals

1.-2) Basic Policy (ZIP as Business Platform)



1.-3) Scope and Structure of ZGP25



1.-4) Major Results and Challenges of ZGP25 1st Stage

	ZGP2020	ZGP25 1st Stage		
	FY2019 (Actual)	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Actual)
Consolidated Net Sales	63.7 bn yen	59.7 bn yen	57.2 bn yen	59.0 bn yen
Consolidated Operating Income (Margin)	5.8 bn yen (9.1%)	3.3 bn yen (5.5%)	1.4 bn yen (2.5%)	2.6 bn yen (4.5%)
ROE (Return on equity)	8.1%	6.6%	3.0%	8.1%
DOE (Dividend on equity on a consolidated bases)	3.3%	3.4%	3.4%	3.5%

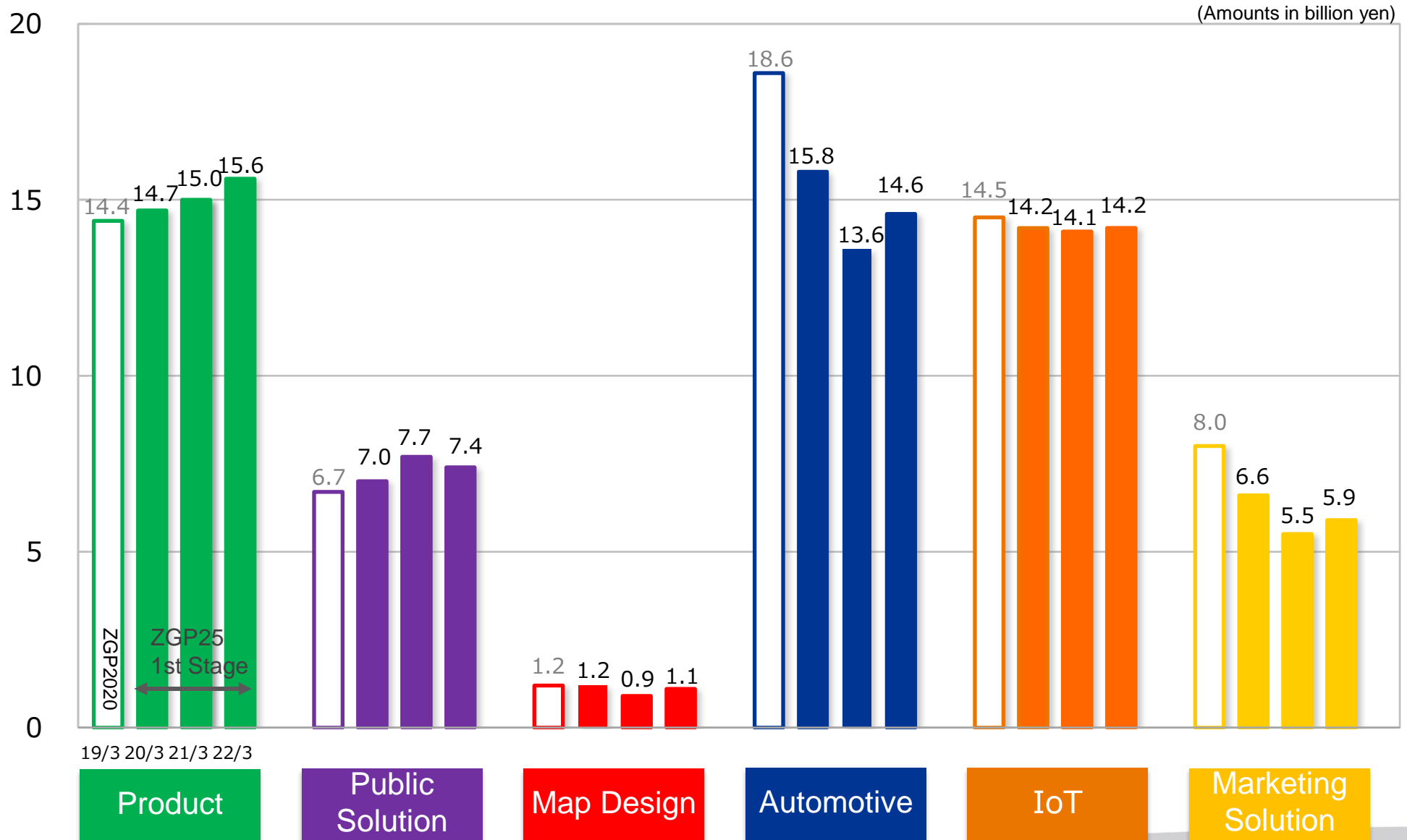
Results

- Steady progress in conversion from flow-type business to stock-type business through planning and sales expansion of packaged products.
- Providing application development and packaged products for solving business problems of companies by developing information in circulation (“ZIPS”).
- Strengthen active initiatives for consumer businesses such as Map Design business and tourism-type MaaS services.

Challenges

- In the Automotive business and Marketing Solution businesses, the tendency for changes in the external environment to affect business performance has not changed, and improving profitability through in-house services such as stock-type services is a top priority.

1.-5) Net Sales by Business under the ZGP25 1st Stage



2. Overview of ZGP25 2nd Stage

- 1) Scope and Structure of ZGP25 2nd Stage
- 2) Numerical Target for ZGP25 2nd Stage
- 3) Business Plan for ZGP25 2nd Stage
- 4) Net Sales target by Business under ZGP25 2nd Stage

2.-1) Scope and Structure of ZGP25 2nd Stage

1st Stage (3 terms)			2nd Stage (3 terms)		
FY2020	FY2021	FY2022	FY2023	FY2024	FY2025

Business model transformation period

Enhance values to customers and strengthen the earnings base through the selective use of business models

Embody the business model

Create values through the optimization of location information and information in circulation

Strengthen the business foundation

Building an information platform that can meet the diverse needs of society

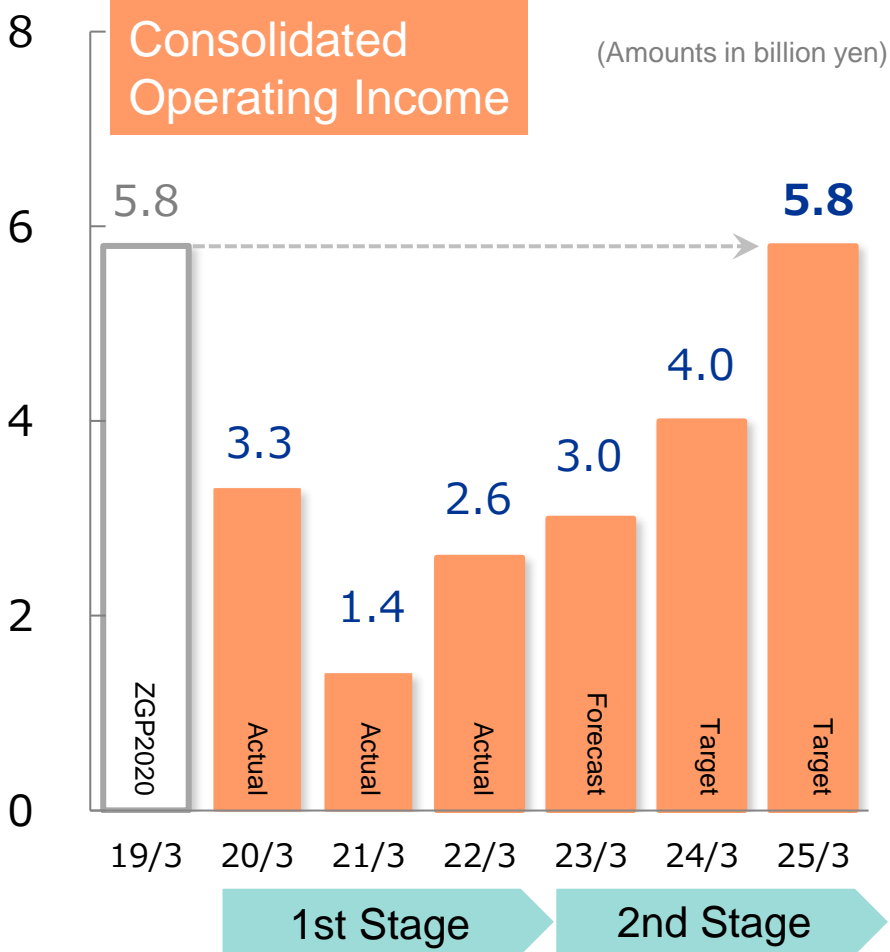
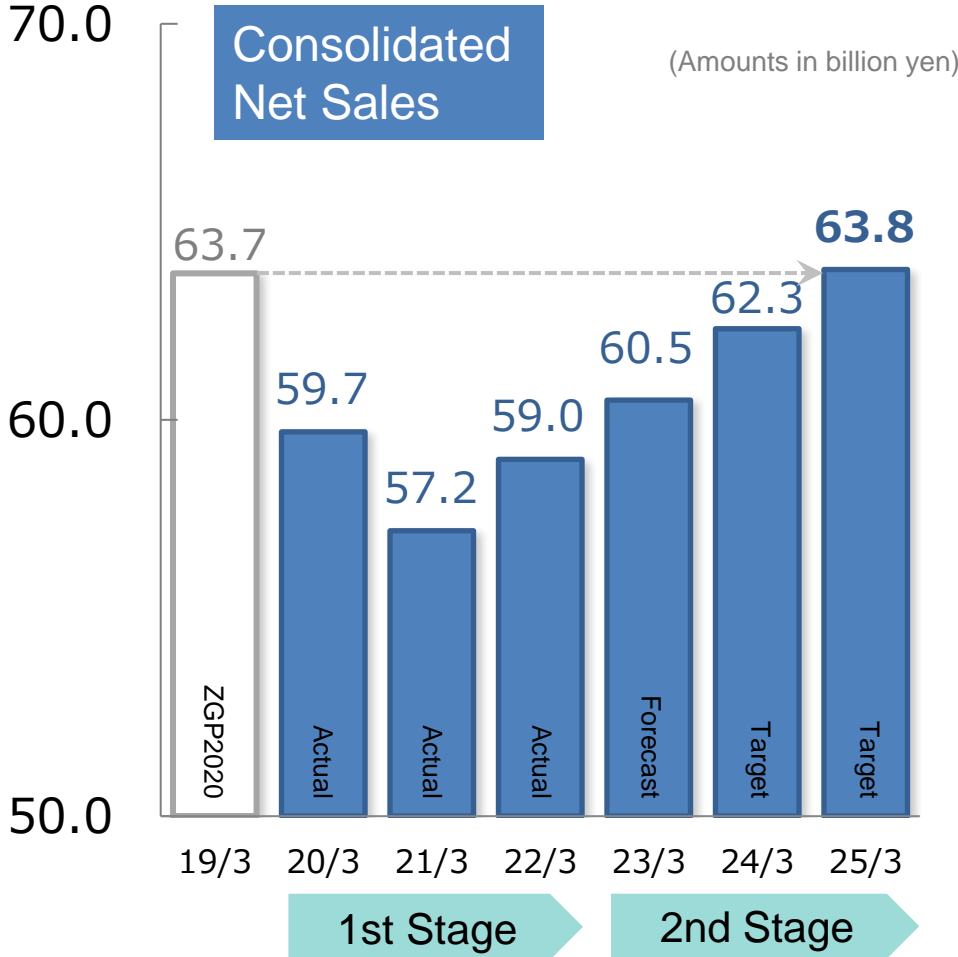
Strengthen the management base

Foster human capital who can respond to changes in the environment and build an organization for such purpose

2.-2) Numerical Target for ZGP25 2nd Stage

	2nd Stage		
	1st Year	2nd Year	3rd Year
	FY2023 (Forecast)	FY2024 (Target)	FY2025 (Target)
Consolidated Net Sales	60.5 bn yen	62.3 bn yen	63.8 bn yen
Consolidated Operating Income (Margin)	3.0 bn yen (5.0%)	4.0 bn yen (6.4%)	5.8 bn yen (9.1%)
ROE (Return on equity)	5.3%	5.1%	7.3%
DOE (Dividend on equity on a consolidated bases)	3% or higher	3% or higher	3% or higher

2.-2) Numerical Target for ZGP25 2nd Stage



2.-3) Business Plan for ZGP25 2nd Stage

Divide the business portfolio into 5 businesses

Product

Business that provide companies with products and services through development of applications

Public Solution

Business that provide government agencies with products and services through development of applications

Marketing Solution

Business that supports customer marketing and sales promotion activities by utilizing map information technology

IoT

Business that provides convenience of various information by utilizing digital maps

Automotive

Business that provides navigation maps, etc. for automobile-related companies

Contribution to solving social issues

- Create a safe and secure city
- Co-create advanced mobility society
- Construct industrial infrastructure
- Solve local community issues
- Promote education and culture
- Consider environment and resources

2.-3) Business Plan for ZGP25 2nd Stage

Product

Increase profits by expanding stock-type business and stabilizing flow-type business

Public Solution

Expand sales by converting from flow-type business to stock-type business and building up entrusted business solutions

Marketing Solution

Create a new market by solving sales promotion issues by utilizing map information technology

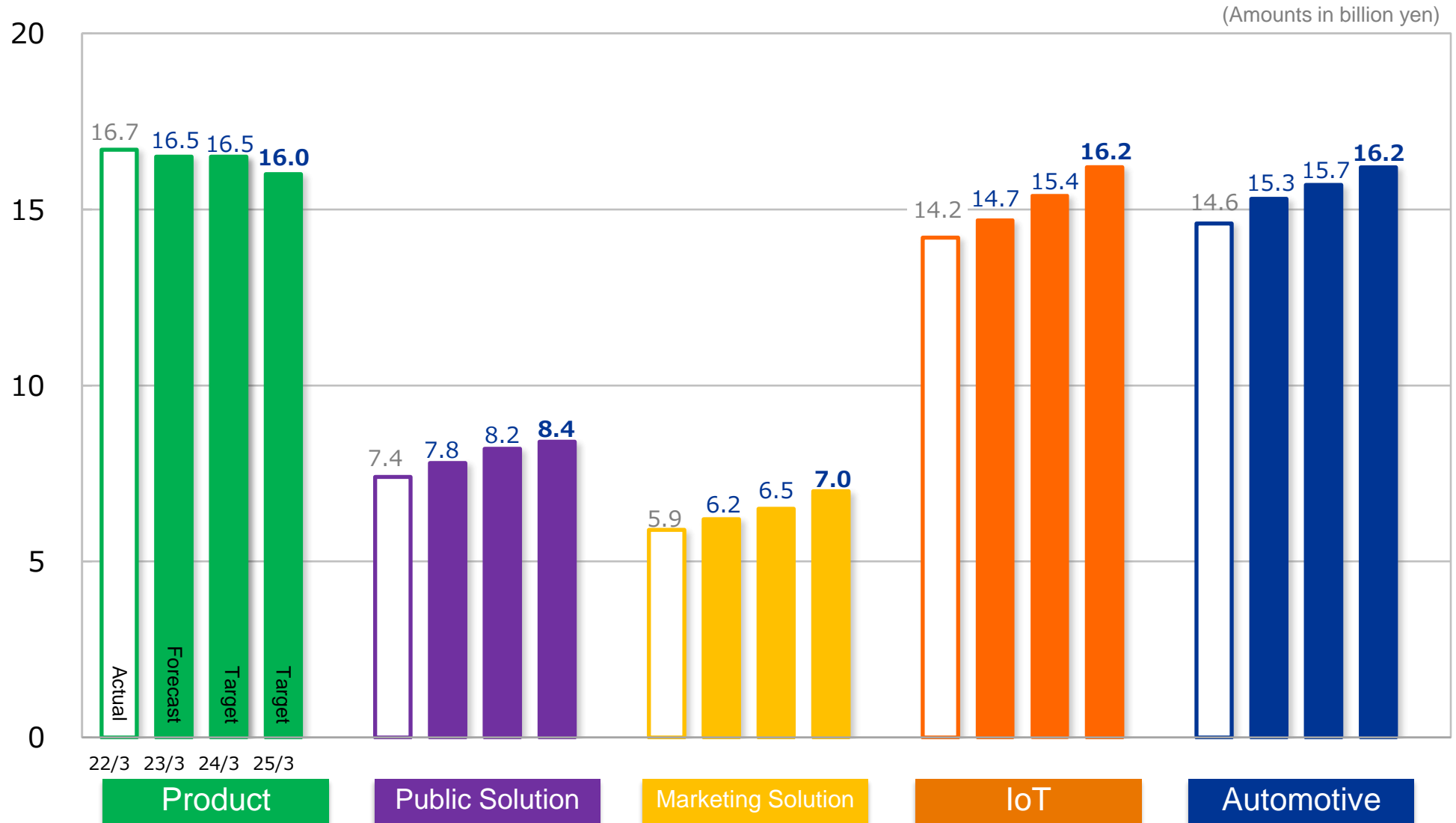
IoT

Plan solutions to support industry DX and strengthen alliance business

Automotive

Stabilize existing navigation business and establish smart mobility business

2.-4) Net Sales target by Business under ZGP25 2nd Stage



* Sales of the Map Design business for FY2022 are included in the Product business.

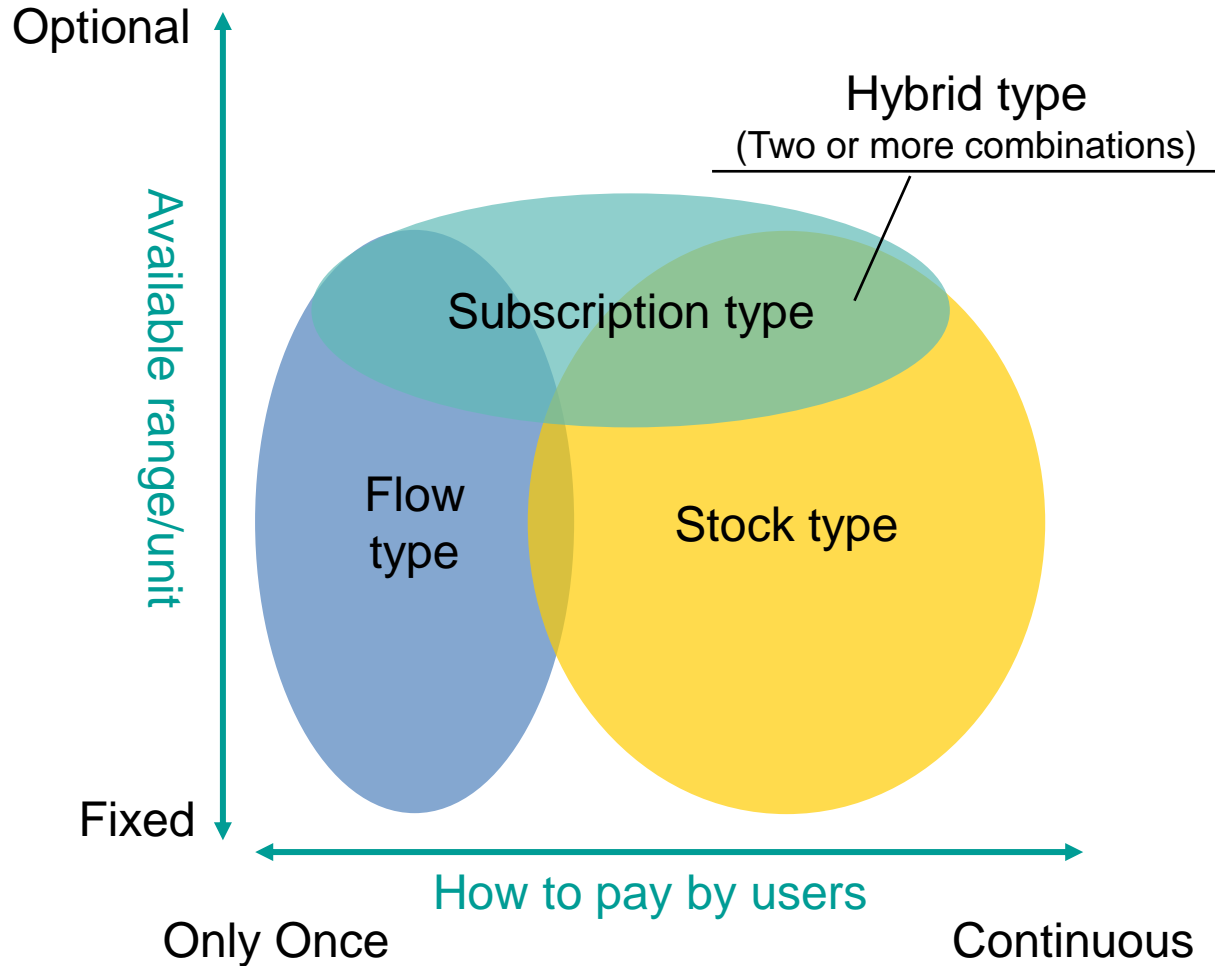
Appendix. Basic Policy of ZGP25

- Basic Policy (Business)
- Basic Policy (Business model definition)
- Basic Policy (Production)
- Basic Policy (Organization & Personnel Affairs)
- Basic Policy (Finance)

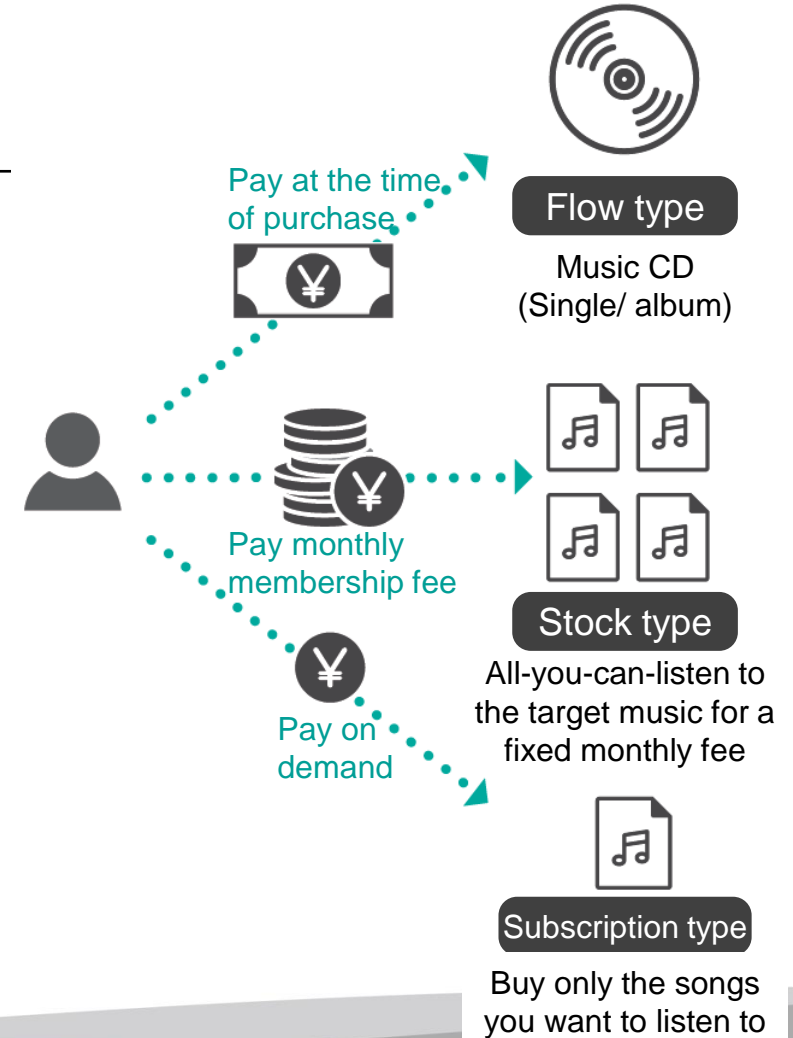
Various sets of collected information are managed and optimized in the “database platform,” and their uses are optimized in the “circulation platform,” bringing about a value chain of services that enhances value to customers in the use of location information.

I	Flow-type business (ownership)	A product business model in which we sell “goods-type services” that contain “activity-type elements” and earn revenue each time we sell them.
II	Stock-type business (regular use)	A license business model in which we provide fixed-term, fixed-amount services that customers can use any time without worry to earn recurring revenue.
III	Subscription-type business (on-demand use)	An on-demand business model in which we provide services to cater on-demand needs of customers to earn a small amount of revenue each time we provide them.
IV	Hybrid-type business (combined use)	A business model that combines the business models listed above to provide higher-value services and to earn recurring revenue.

<Definition of business models in ZGP25>



<Example of each business model>



Manage and optimize the “database platform” to connect flexibly sets of collected information with the “circulation platform,” which optimizes the use of various information sets, bringing about location information innovation in network society.

I	Mobility network	Construction of the strongest network database that networks any and all location information.
II	QCDDS innovation	Transformation of “diversity and scalability” to enable the development of applications that is necessary for the creation of value from “activities.”
III	Intelligent technology	Construction of the strongest technology database that puts intellectual technical capabilities of individual into practical use.

Be a corporate group in which a set of people comprising diverse human capital work in a lively atmosphere in a vibrant organization and our stakeholders can have confidence.

I	Process relation	Ensure the optimal “operation of business management processes” to improve management productivity and maintain a sound financial structure
II	Knowledge relation	Develop people to consistently create human capital with “wisdom” always to be able to respond to changes in the external environment
III	Social relation	Create a “work environment in which people can work without worry” to realize a vibrant organization

Maintain a sound financial base through earnings growth and asset efficiency improvement and ensure shareholder returns based on medium- to long-term earnings growth

Adopting return on equity (ROE) as one of key management indicators, strive to improve ROE by promoting the efficient use of assets, in addition to improving operating margin

I

ROE 8% or higher

Operating margin × Total assets turnover ratio × Financial leverage

II

Balanced investment

- Capital investment paying attention to free cash flow
- Optimal allocation of management resources in growth areas

III

Shareholder return

- Stable and consistent shareholder returns based on earnings growth
- Flexible acquisition of own shares

ZENRIN

Maps to the Future