# Financial Summary for First 2 Quarters of Fiscal 2014
# [Japanese GAAP] [Consolidated]

October 31, 2013

Name of listed company: **ZENRIN Co., Ltd.** Stock exchange listings: Tokyo and Fukuoka
Securities code: 9474 URL: http://www.zenrin.co.jp/
Representative: [Title] President and CEO TEL: +81-93-592-9050
[Name] Zenshi Takayama
Contact: [Title] Executive Officer, and Head of Corporate Management Division
[Name] Masami Matsuo
Scheduled date of submission of quarterly securities report: November 6, 2013
Scheduled date of commencement of dividend payouts: December 3, 2013
Preparation of supplementary explanatory materials on quarterly results: Yes
Holding of briefing session on quarterly results: Yes (briefing for institutional investors and analysts)

[Amounts are rounded down to the nearest million yen]

## 1. Consolidated Results of Operations in First 2 Quarters of Fiscal 2014

***ZENRIN's first 2 quarters of fiscal 2014 is the period from April 1, 2013 to September 30, 2013.***

### (1) Consolidated Business Performance [Cumulative]

[% figures represent the increase (decrease) compared to the same period of the previous fiscal year]

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| First 2 quarters of fiscal 2014 | 24,010 | (7.1) | 39 | (98.5) | 225 | (91.8) | (250) | – |
| First 2 quarters of fiscal 2013 | 25,849 | 13.7 | 2,565 | 741.1 | 2,735 | 349.2 | 1,161 | 384.5 |

[Note] Comprehensive income First 2 quarters of fiscal 2014: 244 million yen [(81.1%)]
First 2 quarters of fiscal 2013: 1,296 million yen [ –% ]

| | Net income per share | Diluted net income per share |
|---|---|---|
| | yen | yen |
| First 2 quarters of fiscal 2014 | (6.82) | – |
| First 2 quarters of fiscal 2013 | 31.60 | – |

### (2) Consolidated Financial Position

| | Total assets | Net assets | Ratio of equity to total assets |
|---|---|---|---|
| | million yen | million yen | % |
| First 2 quarters of fiscal 2014 | 52,121 | 37,426 | 68.2 |
| Fiscal 2013 | 56,376 | 37,663 | 63.9 |

[Reference] Equity First 2 quarters of fiscal 2014: 35,556 million yen Fiscal 2013: 36,024 million yen

## 2. Dividends

| | Annual dividend | | | | |
|---|---|---|---|---|---|
| | End of first quarter | End of second quarter | End of third quarter | Year-end | Total |
| | yen | yen | yen | yen | yen |
| Fiscal 2013 | – | 15.00 | – | 15.00 | 30.00 |
| Fiscal 2014 | – | 15.00 | | | |
| Fiscal 2014 [forecast] | | | – | 15.00 | 30.00 |

[Note] Revision from most recently announced forecast for dividends: None

## 3. Forecast for Consolidated Results of Operations in Fiscal 2014

***ZENRIN's fiscal 2014 is the period from April 1, 2013 to March 31, 2014.***

[% figures represent the increase (decrease) compared to the previous fiscal year]

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Fiscal year | 56,000 | 1.8 | 5,200 | (6.9) | 5,500 | 8.3 | 2,500 | 36.2 | 68.00 |

[Note] Revision from most recently announced forecast for results of operations: None

# ATTACHMENT

## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Business Performance

In the first 2 quarters of fiscal 2014 (from April 1, 2013 to September 30, 2013), the Japanese economy was on a modest recovery trend as evident by signs of pickup in exports and capital investment, etc., backed by such factors as the Bank of Japan's monetary easing and the Japanese government's economic measures. In addition, weak recovery continues overseas, despite concerns of slowdown in emerging economies and lasting sense of uncertainty over the outlook of the European and U.S. economies not yet being clear.

In such an environment, despite robust performance in the selling of residential map databases, decrease in sales of data for Japanese and overseas in-car navigation systems and other factors resulted in net sales of 24,010 million yen (decreased 1,839 million yen, or down 7.1%, compared to the same period of the previous fiscal year).

In terms of income or loss, in addition to decrease in net sales, increase in prior expenses associated with database maintenance, smartphone services, etc. resulted in operating income of 39 million yen (decreased 2,526 million yen, or down 98.5%, compared to the same period of the previous fiscal year) and ordinary income of 225 million yen (decreased 2,510 million yen, or down 91.8%, compared to the same period of the previous fiscal year). In addition, the recording of gain and loss on sales and retirement of noncurrent assets, as well as loss on sales of stocks of subsidiaries and affiliates associated with Beijing PalmGo Information Technology Co., Ltd., which was an affiliate not accounted for by the equity method for extraordinary income and loss, resulted in net loss of 250 million yen (downturn of 1,412 million yen compared to the same period of the previous fiscal year).

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

**[Segment Results of Operations]**

***Map Database Segment***

The Map Database segment, which is the ZENRIN Group's core business, saw robust sales related to GIS utilizing residential map databases. On the other hand, sales of data for Japanese in-car navigation systems decreased due to such factors as decrease on the rebound of the end of subsidies for green vehicles, shift to light vehicles and change in the composition of in-car navigation systems to low-priced models in new vehicle sales in Japan. In addition, sales of data for overseas in-car navigation systems also decreased due to such factors as it being switchover time for models employed for the North American market.

The result was Map Database segment net sales of 20,458 million yen (decreased 1,709 million yen, or down 7.7%, compared to the same period of the previous fiscal year) and segment loss of 91 million yen (downturn of 2,537 million yen compared to the same period of the previous fiscal year).

***General Printing Segment***

The results of the General Printing segment were net sales of 1,888 million yen (increased 28 million yen, or up 1.5%, compared to the same period of the previous fiscal year), and decrease in unit price of purchase of raw materials and other factors led to segment income of 26 million yen (improved 65 million yen compared to the same period of the previous fiscal year).

***Other***

The results other than that of the Map Database segment and General Printing segment were net sales of 1,662 million yen (decreased 158 million yen, or down 8.7%, compared to the same period of the previous fiscal year) and segment income of 28 million yen (decreased 54 million yen, or down 65.6%, compared to the same period of the previous fiscal year).

**[Reportable Segment Information]**

**I. First 2 Quarters of Fiscal 2013 (from April 1, 2012 to September 30, 2012)**

**(a) Information on Reportable Segment Net Sales and Income or Loss Amount**

[Unit: million yen]

| | Reportable segments | | | Other [Note] | Total |
|---|---|---|---|---|---|
| | Map Database segment | General Printing segment | Total | | |
| Net sales | | | | | |
| Net sales to external customers | 22,168 | 1,860 | 24,028 | 1,821 | 25,849 |
| Intersegment net sales or transfers | 28 | 123 | 152 | 85 | 237 |
| Total | 22,197 | 1,983 | 24,180 | 1,906 | 26,087 |
| Segment income (loss) | 2,445 | (39) | 2,406 | 83 | 2,489 |

[Note] The “Other” item encompasses the selling of purchased products, commissioned CAD processing, internet and other advertising distribution, and other business activities that are not attributable to reportable segments.

**(b) Total Amount of Reportable Segment Income or Loss Amount and its Difference in Amount with Amount on Quarterly Consolidated Statements of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)**

[Unit: million yen]

| Income | Amount |
|---|---|
| Total for reportable segments | 2,406 |
| Income of “Other” item | 83 |
| Eliminations of intersegment transactions | 76 |
| Operating income on quarterly consolidated statements of income | 2,565 |

## II. First 2 Quarters of Fiscal 2014 (from April 1, 2013 to September 30, 2013)

### (a) Information on Reportable Segment Net Sales and Income or Loss Amount

[Unit: million yen]

| | Reportable segments | | | Other [Note] | Total |
|---|---|---|---|---|---|
| | Map Database segment | General Printing segment | Total | | |
| Net sales | | | | | |
| Net sales to external customers | 20,458 | 1,888 | 22,347 | 1,662 | 24,010 |
| Intersegment net sales or transfers | 36 | 137 | 174 | 94 | 268 |
| Total | 20,495 | 2,026 | 22,521 | 1,757 | 24,278 |
| Segment income (loss) | (91) | 26 | (65) | 28 | (36) |

[Note] The "Other" item encompasses the selling of purchased products, commissioned CAD processing and other business activities that are not attributable to reportable segments.

### (b) Total Amount of Reportable Segment Income or Loss Amount and its Difference in Amount with Amount on Quarterly Consolidated Statements of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)

[Unit: million yen]

| Income | Amount |
|---|---|
| Total for reportable segments | (65) |
| Income of "Other" item | 28 |
| Eliminations of intersegment transactions | 76 |
| Operating income on quarterly consolidated statements of income | 39 |

### (c) Matters Concerning Changes in Reportable Segments, Etc.

***Changes in Useful Life***

As stated below in "Changes in Accounting Estimates," concerning assets for which retirement is expected to result from remodeling and expansion construction work on ZENRIN Techno Center, which is held by ZENRIN, the useful life has been changed, starting from the second quarter of fiscal 2014.

As a result, segment loss in the first 2 quarters of fiscal 2014 was a downturn of 20 million yen in the "Map Database segment" than that based on the method applied in the past.

### (d) Information on Reportable Segment Impairment Loss on Noncurrent Assets or Goodwill, Etc.

***Significant Changes in Amount of Goodwill***

In the "Map Database segment," with acquisition of INFOTRACK TELEMATICS PTE. LTD. shares, the company and its subsidiary INFOTRACK TELEMATICS PRIVATE LIMITED are included in the scope of consolidation, starting from the second quarter of fiscal 2014. The amount of increase in goodwill arising from the concerned event was 290 million yen in the first 2 quarters of fiscal 2014.

## (2) Explanation of Financial Position

Total assets at the end of the second quarter of fiscal 2014 decreased 4,255 million yen (7.5%) compared to at the end of fiscal 2013 to 52,121 million yen. This was mainly attributable to increase in software in the amount of 744 million yen being offset by decrease in cash and deposits in the amount of 4,016 million yen, which was due in part to payment of accrued expenses and capital investment, and decrease in trade notes and accounts receivable in the amount of 2,553 million yen, which was due to decrease in net sales.

Liabilities decreased 4,019 million yen (21.5%) compared to at the end of fiscal 2013 to 14,694 million yen. This was mainly attributable to decrease in each of trade accounts payable in the amount of 452 million yen and accrued expenses in the amount of 1,012 million yen, which was due in part to payment, and decrease in income taxes payable in the amount of 1,430 million yen, which was due in part to tax payment.

Net assets decreased 236 million yen (0.6%) compared to at the end of fiscal 2013 to 37,426 million yen. This was mainly attributable to increase in minority interests in the amount of 231 million yen being offset by dividends from surplus in the amount of 551 million yen and net loss in the amount of 250 million yen.

As a result, the ratio of equity to total assets at the end of the second quarter of fiscal 2014 was up 4.3 points compared to at the end of fiscal 2013 to 68.2%.

The following outlines the status of cash flows in the first 2 quarters of fiscal 2014.

Cash and cash equivalents at the end of the second quarter of fiscal 2014 decreased 4,034 million yen (49.5%) compared to at the end of fiscal 2013 to 4,120 million yen.

***Cash Flows from Operating Activities***

Net cash provided by operating activities amounted to 332 million yen (decreased 3,439 million yen compared to the same period of the previous fiscal year). This was attributable to income before income taxes in the amount of 168 million yen, and decrease in trade notes and accounts receivable in the amount of 2,624 million yen, depreciation and amortization in the amount of 2,167 million yen and other factors of increase being offset by income taxes paid in the amount of 1,862 million yen, decrease in accrued expenses in the amount of 1,059 million yen, decrease in trade notes and accounts payable in the amount of 487 million yen and other factors of decrease.

***Cash Flows from Investing Activities***

Net cash used in investing activities amounted to 4,028 million yen (increased 1,981 million yen compared to the same period of the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment and intangible assets in the amount of 4,058 million yen.

***Cash Flows from Financing Activities***

Net cash used in financing activities amounted to 462 million yen (decreased 643 million yen compared to the same period of the previous fiscal year). This was mainly attributable to cash dividends paid in the amount of 551 million yen and repayments of lease obligations in the amount of 423 million yen being offset by net increase in short-term loans payable in the amount of 720 million yen.

## (3) Explanation of Forecast for Consolidated Results of Operations and Other Forward-Looking Statements

The state of uncertainty over the future economic environment, etc. surrounding the ZENRIN Group is still expected to continue into and after the third quarter. Consequently, the forecast for results of operations in fiscal 2014 is left unchanged from that announced on May 8, 2013 at this point in time.

## 2. Matters Concerning Summary Information (Notes)

### (1) Changes in Significant Subsidiaries in Consolidated Fiscal Year to Date

Not applicable.

Although not falling under the category of changes in specified subsidiaries, with acquisition of INFOTRACK TELEMATICS PTE. LTD. shares, the company and its subsidiary INFOTRACK TELEMATICS PRIVATE LIMITED (changed trade name from CERT INFOTRACK TELEMATICS PRIVATE LIMITED, effective August 5, 2013) are included in the scope of consolidation, starting from the second quarter of fiscal 2014. In addition, the consolidated subsidiary DAIKEI DATA PROCESSING (SHENZHEN) CO., LTD. passed a resolution on dissolution at the meeting of the board of directors held on August 27, 2013 and is currently in liquidation proceedings.

### (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

**Changes in Accounting Estimates**

***Changes in Useful Life***

Remodeling and expansion construction work is being conducted on ZENRIN Techno Center (Tobata Ward, Kitakyushu City), which is held by ZENRIN, with construction work completion slated for September 2014. In correlation, the useful life of “buildings and structures” for which retirement is expected has been changed to the period through August 2014, which is the scheduled month of the retirement, starting from the second quarter of fiscal 2014.

As a result, operating income, ordinary income and income before income taxes in the first 2 quarters of fiscal 2014 were each 20 million yen less than that based on the method applied in the past.

The impact of this on segment information is described in the relevant sections.

## 3. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

[Unit: million yen]

| | Fiscal 2013 | Second quarter of fiscal 2014 |
|---|---|---|
| | As of March 31, 2013 | As of Sept. 30, 2013 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,267 | 4,250 |
| Notes and accounts receivable – trade | 11,995 | 9,441 |
| Securities | 51 | – |
| Inventories | 1,448 | 1,721 |
| Other | 2,501 | 3,106 |
| Allowance for doubtful accounts | (8) | (8) |
| Total current assets | 24,256 | 18,511 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,367 | 4,198 |
| Land | 8,326 | 8,326 |
| Other, net | 2,822 | 3,539 |
| Total property, plant and equipment | 15,516 | 16,065 |
| Intangible assets | | |
| Goodwill | – | 290 |
| Software | 7,229 | 7,974 |
| Other | 3,316 | 3,301 |
| Total intangible assets | 10,546 | 11,566 |
| Investments and other assets | | |
| Investment securities | 3,202 | 3,334 |
| Other | 2,965 | 2,776 |
| Allowance for doubtful accounts | (111) | (133) |
| Total investments and other assets | 6,057 | 5,978 |
| Total noncurrent assets | 32,120 | 33,609 |
| Total assets | 56,376 | 52,121 |

[Unit: million yen]

| | Fiscal 2013 | Second quarter of fiscal 2014 |
|---|---|---|
| | As of March 31, 2013 | As of Sept. 30, 2013 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable – trade | 2,472 | 2,020 |
| Short-term loans payable | 1,869 | 2,639 |
| Accrued expenses | 3,759 | 2,746 |
| Income taxes payable | 1,797 | 367 |
| Provision for directors' bonuses | 161 | 25 |
| Other | 4,462 | 3,050 |
| Total current liabilities | 14,523 | 10,850 |
| Noncurrent liabilities | | |
| Long-term loans payable | 943 | 751 |
| Provision for retirement benefits | 1,561 | 1,554 |
| Provision for directors' retirement benefits | 133 | 127 |
| Other | 1,552 | 1,410 |
| Total noncurrent liabilities | 4,190 | 3,843 |
| Total liabilities | 18,713 | 14,694 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,557 | 6,557 |
| Capital surplus | 13,111 | 13,111 |
| Retained earnings | 18,892 | 18,090 |
| Treasury stock | (2,323) | (2,212) |
| Total shareholders' equity | 36,237 | 35,546 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 128 | 228 |
| Foreign currency translation adjustment | (341) | (218) |
| Total accumulated other comprehensive income | (213) | 9 |
| Minority interests | 1,639 | 1,870 |
| Total net assets | 37,663 | 37,426 |
| Total liabilities and net assets | 56,376 | 52,121 |

## (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

### Quarterly Consolidated Statements of Income [Cumulative]

[Unit: million yen]

| | First 2 quarters of fiscal 2013<br>From: April 1, 2012<br>To: Sept. 30, 2012 | First 2 quarters of fiscal 2014<br>From: April 1, 2013<br>To: Sept. 30, 2013 |
|---|---|---|
| Net sales | 25,849 | 24,010 |
| Cost of sales | 14,445 | 14,874 |
| Gross profit | 11,404 | 9,135 |
| Selling, general and administrative expenses | 8,838 | 9,096 |
| Operating income | 2,565 | 39 |
| Non-operating income | | |
| Interest income | 6 | 7 |
| Dividends income | 121 | 68 |
| Equity in earnings of affiliates | – | 6 |
| Real estate rent | 72 | 65 |
| Other | 110 | 90 |
| Total non-operating income | 311 | 239 |
| Non-operating expenses | | |
| Interest expenses | 16 | 13 |
| Depreciation of assets for rent | 12 | 12 |
| Foreign exchange losses | 5 | 20 |
| Equity in losses of affiliates | 96 | – |
| Other | 8 | 7 |
| Total non-operating expenses | 141 | 53 |
| Ordinary income | 2,735 | 225 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | – | 97 |
| Total extraordinary income | – | 97 |
| Extraordinary loss | | |
| Loss on sales and retirement of noncurrent assets | 4 | 57 |
| Loss on sales of stocks of subsidiaries and affiliates | – | 46 |
| Loss on valuation of investment securities | 23 | 2 |
| Loss on valuation of stocks of subsidiaries and affiliates | – | 29 |
| Restructuring loss | – | 18 |
| Loss on valuation of golf club membership | 8 | – |
| Total extraordinary losses | 35 | 154 |
| Income before income taxes | 2,700 | 168 |
| Income taxes – current | 1,230 | 453 |
| Income taxes – deferred | (53) | (275) |
| Total income taxes | 1,176 | 178 |
| Income (loss) before minority interests | 1,523 | (9) |
| Minority interests in income | 361 | 240 |
| Net income (loss) | 1,161 | (250) |

## Quarterly Consolidated Statements of Comprehensive Income [Cumulative]

[Unit: million yen]

| | First 2 quarters of fiscal 2013<br>From: April 1, 2012<br>To: Sept. 30, 2012 | First 2 quarters of fiscal 2014<br>From: April 1, 2013<br>To: Sept. 30, 2013 |
|---|---|---|
| Income (loss) before minority interests | 1,523 | (9) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (119) | 132 |
| Foreign currency translation adjustment | 8 | 162 |
| Share of other comprehensive income of associates accounted for using equity method | (116) | (40) |
| Total other comprehensive income | (226) | 254 |
| Comprehensive income | 1,296 | 244 |
| [Comprehensive income attributable to] | | |
| Comprehensive income attributable to owners of the parent | 934 | (27) |
| Comprehensive income attributable to minority interests | 361 | 272 |

### (3) Quarterly Consolidated Statements of Cash Flows

[Unit: million yen]

| | First 2 quarters of fiscal 2013<br>From: April 1, 2012<br>To: Sept. 30, 2012 | First 2 quarters of fiscal 2014<br>From: April 1, 2013<br>To: Sept. 30, 2013 |
|---|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 2,700 | 168 |
| Depreciation and amortization | 1,819 | 2,167 |
| Amortization of goodwill | 32 | – |
| Increase (decrease) in provision for directors' bonuses | (67) | (135) |
| Increase (decrease) in provision for retirement benefits | (27) | (8) |
| Loss (gain) on valuation of investment securities | 23 | 2 |
| Loss on valuation of stocks of subsidiaries and affiliates | – | 29 |
| Loss on valuation of golf club memberships | 8 | – |
| Interest and dividends income | (127) | (76) |
| Interest expenses | 16 | 13 |
| Equity in (earnings) losses of affiliates | 96 | (6) |
| Loss (gain) on sales and retirement of noncurrent assets | 4 | (40) |
| Loss (gain) on sales of stocks of subsidiaries and affiliates | – | 46 |
| Decrease (increase) in notes and accounts receivable – trade | 1,678 | 2,624 |
| Decrease (increase) in inventories | (305) | (261) |
| Increase (decrease) in notes and accounts payable – trade | (154) | (487) |
| Increase (decrease) in accrued expenses | (294) | (1,059) |
| Increase (decrease) in accrued consumption taxes | (162) | (240) |
| Other, net | (77) | (602) |
| Subtotal | 5,162 | 2,132 |
| Interest and dividends income received | 127 | 75 |
| Interest expenses paid | (17) | (13) |
| Income taxes paid | (1,500) | (1,862) |
| Net cash provided by (used in) operating activities | 3,772 | 332 |
| Net cash provided by (used in) investing activities | | |
| Proceeds from redemption of securities | 100 | – |
| Proceeds from sales of property, plant and equipment | 0 | 102 |
| Purchase of property, plant and equipment and intangible assets | (2,049) | (4,058) |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | – | (126) |
| Purchase of treasury stock of subsidiaries in consolidation | (107) | – |
| Other, net | 9 | 54 |
| Net cash provided by (used in) investing activities | (2,047) | (4,028) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | (10) | 720 |
| Repayment of long-term loans payable | (259) | (204) |
| Repayments of lease obligations | (347) | (423) |
| Purchase of treasury stock | (0) | (0) |
| Proceeds from sales of treasury stock | 105 | 103 |
| Cash dividends paid | (550) | (551) |
| Cash dividends paid to minority shareholders | (44) | (105) |
| Net cash provided by (used in) financing activities | (1,106) | (462) |
| Effect of exchange rate change on cash and cash equivalents | (2) | 124 |
| Net increase (decrease) in cash and cash equivalents | 615 | (4,034) |
| Cash and cash equivalents at beginning of period | 6,926 | 8,154 |
| Cash and cash equivalents at end of period | 7,542 | 4,120 |

## (4) Notes to Quarterly Consolidated Financial Statements

**Notes on the Going Concern Assumption**
Not applicable.

**Notes in the Event of Material Change in the Amount of Shareholders' Equity**
Not applicable.

**Business Combinations, Etc.**

***Business Combination through Acquisition***

**1. Outline of Business Combination**

**(1) Name of Acquired Enterprise and Description of its Business**
Name of acquired enterprise: INFOTRACK TELEMATICS PTE. LTD. (Location: Singapore)
With acquisition of the acquired enterprise shares, the company's wholly-owned subsidiary INFOTRACK TELEMATICS PRIVATE LIMITED (Location: India) will also become a subsidiary of ZENRIN.
Description of business: Provision of tracking services for transportation/logistics businesses

**(2) Main Reason for Conducting Business Combination**
Expansion of the business of tracking services in India, Southeast Asia and the Middle East

**(3) Date of Business Combination**
June 28, 2013

**(4) Legal Form of Business Combination**
Acquisition of shares for cash

**(5) Name of Combined Enterprise**
No change in name

**(6) Percentage of Voting Rights Acquired**
63.1%

**(7) Main Grounds of Decision on Enterprise to Acquire**
ZENRIN's consolidated subsidiary ZENRIN DataCom Co., Ltd. acquired shares for cash

**2. Period that Acquired Enterprise's Results of Operations are Included in Quarterly Consolidated Statements of Income for Consolidated Fiscal Year to Date**
Although June 30, 2013 is the deemed acquisition date, the acquired enterprise's results of operations are not included in the quarterly consolidated statements of income for the first 2 quarters of fiscal 2014 because there is a difference of 3 months between the consolidated account closing date and the acquired enterprise's account closing date.

**3. Cost of Acquisition of Acquired Enterprise and Breakdown Thereof**

| | |
|---|---|
| Consideration for acquisition | 397 million yen |
| Expenses directly required for acquisition | 4 |
| Cost of acquisition | 401 million yen |

**4. Amount, Cause, Amortization Method and Amortization Period of Goodwill Arising from Business Combination**

**(1) Amount**
290 million yen

**(2) Cause**
Future excess earning power anticipated from business expansion going forward

**(3) Amortization Method and Amortization Period**
Amortized by the straight-line method over a period of 5 years

## 4. Supplementary Information

### *Sales Turnover based on Business Composition under Medium-Term Business Plan ZGP2015*

| Business composition | First 2 quarters of fiscal 2013 | First 2 quarters of fiscal 2014 | Amount of increase (decrease) | Rate of increase (decrease) | Main items |
|---|---|---|---|---|---|
| | million yen | million yen | million yen | % | |
| Advertising business | 326 | 317 | (8) | (2.5) | Various media |
| Publishing business | 3,715 | 3,548 | (167) | (4.5) | Printed residential maps, special-purpose maps, and purchased products |
| GIS business | 4,197 | 4,457 | 259 | 6.2 | Residential map databases |
| ICT business | 6,819 | 6,739 | (80) | (1.2) | Services for smartphones / mobile phones, and map data provision for internet services |
| ITS business | 5,951 | 4,986 | (965) | (16.2) | Data for Japanese in-car navigation systems |
| Global business | 1,663 | 1,059 | (604) | (36.3) | Data for overseas in-car navigation systems, and various overseas content |
| Other business | 3,174 | 2,900 | (274) | (8.6) | General printing goods, commissioned CAD processing, sales promotion products, etc. |
| Total | 25,849 | 24,010 | (1,839) | (7.1) | |