Financial Summary for First 3 Quarters of Fiscal 2014
[Japanese GAAP] [Consolidated]

January 31, 2014

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: February 3, 2014
Scheduled date of commencement of dividend payouts: –
Preparation of supplementary explanatory materials on quarterly results: Yes
Holding of briefing session on quarterly results: None

[Amounts are rounded down to the nearest million yen]

1. Consolidated Results of Operations in First 3 Quarters of Fiscal 2014

ZENRIN's first 3 quarters of fiscal 2014 is the period from April 1, 2013 to December 31, 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 3 quarters of fiscal 2014	37,001	(4.3)	613	(82.2)	855	(76.6)	(212)	–
First 3 quarters of fiscal 2013	38,650	7.5	3,451	86.3	3,661	62.2	1,435	88.4

[Note] Comprehensive income First 3 quarters of fiscal 2014: 486 million yen [(74.6%)]
First 3 quarters of fiscal 2013: 1,917 million yen [283.9%]

	Net income per share	Diluted net income per share
	yen	yen
First 3 quarters of fiscal 2014	(5.78)	–
First 3 quarters of fiscal 2013	39.03	–

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
First 3 quarters of fiscal 2014	53,404	36,829	65.3
Fiscal 2013	56,376	37,663	63.9

[Reference] Equity First 3 quarters of fiscal 2014: 34,852 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	53,000	(3.6)	2,700	(51.7)	3,100	(38.9)	900	(51.0)	24.52

[Note] Revision from most recently announced forecast for results of operations: Yes

ATTACHMENT

1. Qualitative Information on Quarterly Results

(1) Explanation of Business Performance

In the first 3 quarters of fiscal 2014 (from April 1, 2013 to December 31, 2013), the Japanese economy was on a moderate recovery trend as evident by signs of pickup in even personal spending, among other factors, with the effects of the government's various economic measures becoming visible. In addition, despite the sense of uncertainty over the outlook of the European and U.S. economies remaining, recovery, albeit weak, is anticipated overseas.

In such an environment, in addition to decrease in sales of data for Japanese and overseas in-car navigation systems, restructuring of subsidiaries and other factors led to net sales of 37,001 million yen (decreased 1,648 million yen, or down 4.3%, compared to the same period of the previous fiscal year).

In terms of income or loss, in addition to decrease in net sales, prior expenses associated with the Map Database segment and other factors led to operating income of 613 million yen (decreased 2,838 million yen, or down 82.2%, compared to the same period of the previous fiscal year) and ordinary income of 855 million yen (decreased 2,806 million yen, or down 76.6%, 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 liquidation of subsidiaries and restructuring loss, etc., in extraordinary income and loss resulted in net loss of 212 million yen (downturn of 1,647 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 decrease on the rebound of the end of subsidies for green vehicles and shift to light vehicles in new vehicle sales in Japan, change in the composition of in-car navigation systems to low-priced models and other factors. In addition, orders of data for overseas in-car navigation systems decreased. These, among other factors, led to Map Database segment net sales of 31,693 million yen (decreased 1,108 million yen, or down 3.4%, compared to the same period of the previous fiscal year).

In terms of income or loss, in addition to decrease in net sales, such factors as prior expenses associated with database maintenance and smartphone services led to segment income of 380 million yen (decreased 2,810 million yen, or down 88.1%, compared to the same period of the previous fiscal year).

General Printing Segment

The results of the General Printing segment were net sales of 2,913 million yen (decreased 17 million yen, or down 0.6%, 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 83 million yen (increased 58 million yen, or up 232.5%, compared to the same period of the previous fiscal year).

Other

Concerning the results other than that of the Map Database segment and General Printing segment, in addition to a consolidated subsidiary's withdrawal from commissioned CAD processing operations, decrease in orders of sales promotion products and other factors led to net sales of 2,395 million yen (decreased 522 million yen, or down 17.9%, compared to the same period of the previous fiscal year) and segment income of 35 million yen (decreased 85 million yen, or down 70.7%, compared to the same period of the previous fiscal year).

[Reportable Segment Information]

I. First 3 Quarters of Fiscal 2013 (from April 1, 2012 to December 31, 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	32,801	2,930	35,732	2,917	38,650
Intersegment net sales or transfers	49	226	275	181	456
Total	32,851	3,156	36,008	3,098	39,107
Segment income (loss)	3,191	25	3,216	121	3,337

[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	3,216
Income of “Other” item	121
Eliminations of intersegment transactions	113
Operating income on quarterly consolidated statements of income	3,451

II. First 3 Quarters of Fiscal 2014 (from April 1, 2013 to December 31, 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	31,693	2,913	34,606	2,395	37,001
Intersegment net sales or transfers	55	236	291	104	396
Total	31,748	3,150	34,898	2,499	37,398
Segment income (loss)	380	83	463	35	499

[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	463
Income of “Other” item	35
Eliminations of intersegment transactions	114
Operating income on quarterly consolidated statements of income	613

(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 income in the first 3 quarters of fiscal 2014 was 83 million yen less in the “Map Database segment” than that based on the method applied in the past.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of fiscal 2014 decreased 2,972 million yen (5.3%) compared to at the end of fiscal 2013 to 53,404 million yen. This was attributable to increase in software in the amount of 1,092 million yen being offset by decrease in cash and deposits in the amount of 3,958 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 2,309 million yen, which was due to decrease in net sales.

Liabilities decreased 2,138 million yen (11.4%) compared to at the end of fiscal 2013 to 16,575 million yen. This was attributable to increase in short-term loans payable in the amount of 2,894 million yen, which was as working capital, being offset by decrease in each of trade accounts payable in the amount of 788 million yen and accrued expenses in the amount of 1,716 million yen, which was due in part to payment, and decrease in income taxes payable in the amount of 1,642 million yen, which was due in part to tax payment.

Net assets decreased 833 million yen (2.2%) compared to at the end of fiscal 2013 to 36,829 million yen. This was attributable to increase in minority interests in the amount of 338 million yen being offset by dividends from surplus in the amount of 1,102 million yen and net loss in the amount of 212 million yen.

As a result, the ratio of equity to total assets at the end of the third quarter of fiscal 2014 was up 1.4 points compared to at the end of fiscal 2013 to 65.3%.

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

Increase in demand, etc. with the economic recovery is somewhat expected, but shift in new vehicle sales in Japan to light vehicles and change in the composition of in-car navigation systems to low-priced models are among factors that continue to impact the results of operations of the ZENRIN Group into the third quarter of fiscal 2014 and are expected to result in consolidated and non-consolidated net sales and income each falling below the previous forecast figures.

The forecast for results of operations announced on May 8, 2013 was revised as follows for the reasons above.

In the outlook for consolidated results of operations in fiscal 2014, ZENRIN expects net sales of 53,000 million yen (decrease of 1,991 million yen, or down 3.6%, compared to the previous fiscal year; the same comparison shall apply in this paragraph), operating income of 2,700 million yen (decrease of 2,885 million yen, or down 51.7%), ordinary income of 3,100 million yen (decrease of 1,976 million yen, or down 38.9%) and net income of 900 million yen (decrease of 935 million yen, or down 51.0%).

In addition, in the outlook for non-consolidated results of operations in fiscal 2014, ZENRIN expects net sales of 35,500 million yen (decrease of 2,356 million yen, or down 6.2%, compared to the previous fiscal year; the same comparison shall apply in this paragraph), operating income of 300 million yen (decrease of 2,024 million yen, or down 87.1%), ordinary income of 1,100 million yen (decrease of 2,082 million yen, or down 65.4%) and net income of 1,000 million yen (increase of 278 million yen, or up 38.5%).

The outlook for non-consolidated results of operations above includes extraordinary income associated with restructuring of consolidated subsidiaries, but the concerned extraordinary income will be eliminated in consolidation and therefore will not impact the consolidated results of operations.

Please also refer to the “Revision of Forecast for Results of Operations” press release that was announced today concerning this matter.

Revision of Forecast Figures for Consolidated Results of Operations in Fiscal 2014 [from April 1, 2013 to March 31, 2014]

		Net sales	Operating income	Ordinary income	Net income	Net income per share
		million yen	million yen	million yen	million yen	yen
Previous forecast [A]		56,000	5,200	5,500	2,500	68.00
Revised forecast [B]		53,000	2,700	3,100	900	24.52
Amount of increase (decrease) [B − A]		(3,000)	(2,500)	(2,400)	(1,600)	–
Rate of increase (decrease)		(5.4%)	(48.1%)	(43.6%)	(64.0%)	–
Reference	Results for previous fiscal year [Fiscal 2013]	54,991	5,585	5,076	1,835	49.93

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 3 quarters of fiscal 2014 were each 83 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	Third quarter of fiscal 2014
	As of March 31, 2013	As of Dec. 31, 2013
Assets		
Current assets		
Cash and deposits	8,267	4,309
Notes and accounts receivable – trade	11,995	9,685
Electronically recorded monetary claims – operating	–	22
Securities	51	–
Inventories	1,448	1,590
Other	2,501	3,053
Allowance for doubtful accounts	(8)	(8)
Total current assets	24,256	18,652
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	4,367	3,987
Land	8,326	8,219
Other, net	2,822	4,283
Total property, plant and equipment	15,516	16,489
Intangible assets		
Goodwill	–	276
Software	7,229	8,322
Other	3,316	3,562
Total intangible assets	10,546	12,160
Investments and other assets		
Investment securities	3,202	3,419
Other	2,965	2,810
Allowance for doubtful accounts	(111)	(128)
Total investments and other assets	6,057	6,101
Total noncurrent assets	32,120	34,751
Total assets	56,376	53,404

[Unit: million yen]

	Fiscal 2013	Third quarter of fiscal 2014
	As of March 31, 2013	As of Dec. 31, 2013
Liabilities		
Current liabilities		
Accounts payable – trade	2,472	1,684
Short-term loans payable	1,869	4,764
Accrued expenses	3,759	2,042
Income taxes payable	1,797	155
Provision for directors' bonuses	161	38
Other	4,462	3,460
Total current liabilities	14,523	12,144
Noncurrent liabilities		
Long-term loans payable	943	1,428
Provision for retirement benefits	1,561	1,547
Provision for directors' retirement benefits	133	127
Other	1,552	1,326
Total noncurrent liabilities	4,190	4,430
Total liabilities	18,713	16,575
Net assets		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,111	13,111
Retained earnings	18,892	17,577
Treasury stock	(2,323)	(2,500)
Total shareholders' equity	36,237	34,746
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	128	296
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	(341)	(190)
Total accumulated other comprehensive income	(213)	106
Minority interests	1,639	1,977
Total net assets	37,663	36,829
Total liabilities and net assets	56,376	53,404

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

Quarterly Consolidated Statements of Income [Cumulative]

[Unit: million yen]

	First 3 quarters of fiscal 2013 From: April 1, 2012 To: Dec. 31, 2012	First 3 quarters of fiscal 2014 From: April 1, 2013 To: Dec. 31, 2013
Net sales	38,650	37,001
Cost of sales	21,799	22,672
Gross profit	16,850	14,329
Selling, general and administrative expenses	13,399	13,715
Operating income	3,451	613
Non-operating income		
Interest income	9	9
Dividends income	132	77
Equity in earnings of affiliates	–	3
Real estate rent	108	104
Other	158	143
Total non-operating income	409	338
Non-operating expenses		
Interest expenses	23	21
Depreciation of assets for rent	19	18
Foreign exchange losses	1	38
Equity in losses of affiliates	143	–
Other	11	17
Total non-operating expenses	199	96
Ordinary income	3,661	855
Extraordinary income		
Gain on sales of noncurrent assets	–	98
Gain on sales of investment securities	25	–
Total extraordinary income	25	98
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	28	139
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
Loss on liquidation of subsidiaries	19	120
Restructuring loss	–	50
Loss on valuation of golf club membership	8	–
Total extraordinary losses	80	388
Income before income taxes and minority interests	3,607	566
Income taxes – current	1,143	747
Income taxes – deferred	535	(325)
Total income taxes	1,678	421
Income before minority interests	1,928	144
Minority interests in income	493	356
Net income (loss)	1,435	(212)

Quarterly Consolidated Statements of Comprehensive Income [Cumulative]

[Unit: million yen]

	First 3 quarters of fiscal 2013 From: April 1, 2012 To: Dec. 31, 2012	First 3 quarters of fiscal 2014 From: April 1, 2013 To: Dec. 31, 2013
Income before minority interests	1,928	144
Other comprehensive income		
Valuation difference on available-for-sale securities	18	196
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	6	151
Share of other comprehensive income of associates accounted for using equity method	(35)	(6)
Total other comprehensive income	(10)	342
Comprehensive income	1,917	486
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of the parent	1,405	107
Comprehensive income attributable to minority interests	511	378

(3) 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.

Significant Subsequent Events

At the meeting of the board of directors held on January 24, 2014, ZENRIN passed a resolution to effect an absorption-type merger in which ZENRIN DataCom Co., Ltd. (consolidated subsidiary) is to be the company surviving the merger and ZENRIN PROMO Co., Ltd. (consolidated subsidiary) is to be the company extinguished in the merger.

The upcoming schedule is conclusion of a merger agreement between ZENRIN DataCom Co., Ltd. and ZENRIN PROMO Co., Ltd., followed by passing of a resolution to approve the merger agreement at the extraordinary general meeting of shareholders to be held by the two companies on February 17, 2014.

Transaction under Common Control, Etc.

1. Outline of Transaction

(1) Name of Combining Enterprises and Description of Their Business

Name of enterprise: ZENRIN DataCom Co., Ltd.
Description of business: Map information distribution services for mobile terminals
Map data provision for internet services
Name of enterprise: ZENRIN PROMO Co., Ltd.
Description of business: Sales promotion business

(2) Date of Business Combination

April 1, 2014

(3) Legal Form of Business Combination

Absorption-type merger in which ZENRIN DataCom Co., Ltd. is to be the company surviving the merger and ZENRIN PROMO Co., Ltd. is to be the company absorbed in the merger

(4) Name of Combined Enterprise

ZENRIN DataCom Co., Ltd.

(5) Other Matters Concerning Outline of Transaction

The purpose is to withdraw from an unprofitable business and consolidate subsidiaries, and thereby achieve streamlining of the consolidated management structure and concentration of the managerial resources of the ZENRIN Group.

2. Overview of Accounting to be Applied

The transaction will be accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21; issued on December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10; issued on December 26, 2008).

3. Impact on Future Results of Operations

The impact of the absorption-type merger on consolidated results of operations will be minimal.

4. Supplementary Information

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

Business composition	First 3 quarters of fiscal 2013	First 3 quarters of fiscal 2014	Amount of increase (decrease)	Rate of increase (decrease)	Main items
	million yen	million yen	million yen	%	
Advertising business	528	528	(0)	(0.0)	Various media
Publishing business	5,470	5,222	(248)	(4.5)	Printed residential maps, special-purpose maps, and purchased products
GIS business	6,687	6,962	275	4.1	Residential map databases
ICT business	10,240	10,228	(11)	(0.1)	Services for smartphones / mobile phones, and map data provision for internet services
ITS business	8,639	7,872	(767)	(8.9)	Data for Japanese in-car navigation systems
Global business	2,287	1,909	(377)	(16.5)	Data for overseas in-car navigation systems, and various overseas content
Other business	4,796	4,278	(518)	(10.8)	General printing goods, commissioned CAD processing, sales promotion products, etc.
Total	38,650	37,001	(1,648)	(4.3)	