Financial Summary for First Quarter of Fiscal 2019
[Japanese GAAP] [Consolidated]

July 30, 2018

Name of listed company	**ZENRIN CO.,LTD.**		Stock exchange listings: Tokyo and Fukuoka
Securities code	9474	URL https://www.zenrin.co.jp/	
Representative	[Title] President and CEO	[Name] Zenshi Takayama	
Contact	[Title] Executive Officer and Head of Corporate Management Division	[Name] Yumiko Toshima	TEL +81-93-882-9050

Scheduled date of submission of quarterly securities report: July 31, 2018
Scheduled date of commencement of dividend payments: ―

Preparation of supplementary explanatory materials on quarterly results: Yes
Holding of briefing session on quarterly results: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results of Operations in First Quarter of Fiscal 2019

ZENRIN's first quarter of fiscal 2019 is the period from April 1, 2018 to June 30, 2018.

(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		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of fiscal 2019	13,610	13.0	362	―	560	―	336	―
First quarter of fiscal 2018	12,039	7.8	(210)	―	(53)	―	(143)	―

[Note] Comprehensive income
First quarter of fiscal 2019: 168 million yen [―%]
First quarter of fiscal 2018: (63) million yen [―%]

	Earnings per share	Diluted earnings per share
	yen	yen
First quarter of fiscal 2019	6.38	5.92
First quarter of fiscal 2018	(2.61)	―

[Note] Effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. "Earnings per share" and "Diluted earnings per share" have been calculated as if the stock split was carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
First quarter of fiscal 2019	66,535	40,202	58.3
Fiscal 2018	71,668	40,822	54.9

[Reference] Equity First quarter of fiscal 2019: 38,776million yen Fiscal 2018: 39,342 million yen

[Note] Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the 1st quarter of fiscal 2019 (Year ending March 31, 2019), and the figures in the consolidated financial position for fiscal 2018 (Year ending March 31, 2018) reflect the retrospective application of this accounting standard.

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 2018	―	17.50	―	17.50	35.00
Fiscal 2019	―				
Fiscal 2019 [forecast]		12.00	―	12.00	24.00

[Note1] Revision from most recently announced forecast for dividends: None

[Note2] Effective April 1, 2018, the Company conducted a stock split. Each share of common stock was split into 1.5 shares. For the fiscal year ended in March 2018, actual dividend amounts before the stock split are stated.

3. Forecast for Consolidated Results of Operations in Fiscal 2019

ZENRIN's fiscal 2019 is the period from April 1, 2018 to March 31, 2019.

[% figures for the fiscal year represent the increase (decrease) compared to the previous fiscal year; % figures for the first 2 quarters represent the increase (decrease) compared to the same period of the previous fiscal year]

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First 2 quarters	27,000	3.8	0	(100.0)	0	(100.0)	0	(100.0)	0.00
Fiscal year	64,000	4.3	5,800	6.6	6,200	5.7	3,700	10.9	70.12

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

1. Qualitative Information on Quarterly Results

(1) Explanation of Business Performance

In the first quarter of fiscal 2019 (from April 1, 2018 to June 30, 2018), the Japanese economy was on a moderate recovery trend on the back of improvements in the employment and income situations. While attention must be paid to the political trends of each country, the global economy has also remained strong.

In such an environment, the ZENRIN Group in the first quarter of fiscal 2019 reported net sales of 13,610 million yen (increased 1,570 million yen, or up 13.0%, compared to the same period of the previous fiscal year), operating income of 362 million yen (improvement of 572 million yen compared to the same period of the previous fiscal year), ordinary income of 560 million yen (improvement of 613 million yen compared to the same period of the previous fiscal year) and profit attributable to owners of parent of 336 million yen (improvement of 480 million 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, reported the increase in sales related to IoT including contract development, in addition to the robust sales from data for Japanese in-car navigation systems. In terms of expenses, an increase in cost of sales including the commission fee was reported in conjunction with increased revenues.

As a result of the foregoing, the Map Database segment reported net sales of 11,012 million yen (increased 922 million yen, or up 9.1%, compared to the same period of the previous fiscal year) and segment income of 323 million yen (improvement of 526 million yen compared to the same period of the previous fiscal year).

General Printing Segment

The General Printing segment reported net sales of 1,031 million yen (increased 227 million yen, or up 28.4%, compared to the same period of the previous fiscal year) and segment income of 38 million yen (improvement of 60 million yen compared to the same period of the previous fiscal year).

Other

The segment other than the Map Database segment and the General Printing segment reported net sales of 1,567 million yen (increased 421 million yen, or up 36.7%, compared to the same period of the previous fiscal year) and segment loss of 20 million yen (downturn of 15 million yen compared to the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets at the end of the first quarter of fiscal 2019 amounted to 66,535 million yen (decreased 5,132 million yen, or down 7.2%, compared to the end of the previous fiscal year). This was attributable to the decrease in trade notes and accounts receivable due to the effects of seasonal fluctuations, which was offset by the increase in cash and deposits.

Liabilities amounted to 26,333 million yen (decreased 4,512million yen, or down 14.6%, compared to the end of the previous fiscal year). This was attributable to a decrease in Notes and trade accounts payable due to payment, and a decrease in income taxes payable.

Net assets amounted to 40,202 million yen (decreased 619 million yen, or down 1.5%, compared to the end of the previous fiscal year). This was mailnly attributable to a dividend of surplus and the purchase of treasury shares despite the recognition of profit attributable to owners of parent. As a result, the ratio of equity to total assets at the end of the first quarter of fiscal 2019 was 58.3% (up 3.4 points compared to the end of the previous fiscal year).

Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been applied from the 1st quarter of fiscal 2019 (Year ending March 31, 2019), and comparison of financial condition is based on the figures as of March 31, 2018 after retrospective application.

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

The forecast for consolidated results of operations in the first 2 quarters of fiscal 2019 and in fiscal 2019 remain unchanged from that announced on April 27, 2018.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheet

[Unit: million yen]

	Fiscal 2018 As of March 31, 2018	First quarter of fiscal 2019 As of June 30, 2018
Assets		
Current assets		
Cash and deposits	11,856	12,489
Notes and accounts receivable – trade	14,926	8,970
Electronically recorded monetary claims – operating	182	123
Securities	11	10
Merchandise and finished goods	768	803
Work in process	371	769
Raw materials and supplies	59	88
Other	1,679	1,799
Allowance for doubtful accounts	(55)	(56)
Total current assets	29,801	24,997
Non-current assets		
Property, plant and equipment		
Land	7,574	7,571
Other, net	7,892	7,776
Total property, plant and equipment	15,466	15,347
Intangible assets		
Goodwill	1,100	950
Software	11,502	11,570
Other	1,844	1,461
Total intangible assets	14,447	13,982
Investments and other assets		
Other	12,168	12,418
Allowance for doubtful accounts	(215)	(210)
Total investments and other assets	11,952	12,207
Total non-current assets	41,867	41,538
Total assets	71,668	66,535

[Unit: million yen]

	Fiscal 2018 As of March 31, 2018	First quarter of fiscal 2019 As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable – trade	3,509	1,577
Short-term loans payable	1,515	795
Income taxes payable	1,793	178
Provision for directors' bonuses	171	28
Provision for sales returns	3	4
Other	12,120	12,126
Total current liabilities	19,112	14,710
Non-current liabilities		
Bonds payable	8,238	8,226
Long-term loans payable	1,050	1,050
Provision for directors' retirement benefits	135	133
Provision for management board benefit trust	44	36
Net defined benefit liability	291	299
Asset retirement obligations	47	48
Other	1,925	1,828
Total non-current liabilities	11,733	11,623
Total liabilities	30,846	26,333
Net assets		
Shareholders' equity		
Capital stock	6,557	6,557
Capital surplus	13,488	13,488
Retained earnings	24,497	24,214
Treasury shares	(7,338)	(7,482)
Total shareholders' equity	37,205	36,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	744	774
Foreign currency translation adjustment	173	83
Remeasurements of defined benefit plans	1,218	1,140
Total accumulated other comprehensive income	2,136	1,998
Non-controlling interests	1,480	1,425
Total net assets	40,822	40,202
Total liabilities and net assets	71,668	66,535

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

Quarterly Consolidated Statement of Income [cumulative]

[Unit: million yen]

	First quarter of fiscal 2018 From: April 1, 2017 To: June 30, 2017	First quarter of fiscal 2019 From: April 1, 2018 To: June 30, 2018
Net sales	12,039	13,610
Cost of sales	7,295	8,144
Gross profit	4,744	5,466
Selling, general and administrative expenses		
Personnel expenses	2,916	3,052
Provision for directors' bonuses	20	16
Retirement benefit expenses	58	17
Other	1,959	2,017
Total selling, general and administrative expenses	4,955	5,104
Operating income (loss)	(210)	362
Non-operating income		
Interest income	3	3
Dividend income	86	71
Subsidy income	—	101
Other	78	54
Total non-operating income	168	229
Non-operating expenses		
Interest expenses	8	6
Foreign exchange losses	—	19
Other	2	5
Total non-operating expenses	10	31
Ordinary income (loss)	(53)	560
Extraordinary income		
Gain on sales of non-current assets	0	1
Other	0	—
Total extraordinary income	0	1
Extraordinary losses		
Loss on sales and retirement of non-current assets	22	9
Loss on valuation of investment securities	11	7
Impairment loss	1	—
Other	2	—
Total extraordinary losses	37	16
income (loss) before income taxes	(91)	544
Income taxes – current	107	336
Income taxes – deferred	(49)	(98)
Total income taxes	57	238
Profit (loss)	(149)	306
Loss attributable to non-controlling interests	(5)	(30)
Profit (loss) attributable to owners of parent	(143)	336

Quarterly Consolidated Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	First quarter of fiscal 2018 From: April 1, 2017 To: June 30, 2017	First quarter of fiscal 2019 From: April 1, 2018 To: June 30, 2018
Profit (loss)	(149)	306
Other comprehensive income		
Valuation difference on available-for-sale securities	21	29
Foreign currency translation adjustment	125	(90)
Remeasurements of defined benefit plans, net of tax	(21)	(77)
Share of other comprehensive income of entities accounted for using equity method	(38)	—
Total other comprehensive income	85	(138)
Comprehensive income	(63)	168
[Comprehensive income attributable to]		
Comprehensive income attributable to owners of parent	(57)	198
Comprehensive income attributable to non-controlling interests	(5)	(30)

(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.

Changes in accounting estimates

(Change in the number of years to amortize actuarial gain/loss and past service costs in the accounting for retirement benefits)

The Company and certain domestic consolidated subsidiaries previously amortized actuarial gain/loss and past services costs in the accounting of retirement benefits over a certain number of years within the average remaining years of service of employees, i.e. 15 years. Effective from the 1st quarter of fiscal 2109, however, the amortization period has been changed to 13 years due to the average remaining years of service falling below 15 years. Consequently, operating income, ordinary income and income before income taxes for the 1st quarter of fiscal 2019 have increased by 55 million yen, respectively, compared to the previous method.

Segment Information

I. First Quarter of Fiscal 2018 (from April 1, 2017 to June 30, 2017)

(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	10,090	803	10,893	1,146	12,039
Intersegment net sales or transfers	18	48	66	17	84
Total	10,108	851	10,960	1,163	12,124
Segment income (loss)	(202)	(21)	(223)	(5)	(229)

[Note] The "Other" item encompasses the selling of purchased products, direct mail delivery services 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 Statement of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)

[Unit: million yen]

Income	Amount
Total for reportable segments	(223)
Income of "Other" item	(5)
Eliminations of intersegment transactions	18
Operating income (loss) on quarterly consolidated statement of income	(210)

(c) Information on Impairment Loss on Non-Current Assets and Goodwill by Reportable Segment

Material Change in the Amount of Goodwill

In the Map Database segment, ZENRIN DataCom CO. LTD., a consolidated subsidiary of the Company, has succeeded the fleet management business from AYARY SYSTEM Co., Ltd. As a result of this event the amount of goodwill stood at 35 million yen in the first quarter of fiscal 2018.

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II. First Quarter of Fiscal 2019 (from April 1, 2018 to June 30, 2018)

(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	11,012	1,031	12,043	1,567	13,610
Intersegment net sales or transfers	29	48	78	24	102
Total	11,041	1,079	12,121	1,591	13,713
Segment income (loss)	323	38	362	(20)	342

[Note] The “Other” item encompasses the selling of purchased products, provision of marketing solution 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 Statement of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)

[Unit: million yen]

Income	Amount
Total for reportable segments	362
Income of “Other” item	(20)
Eliminations of intersegment transactions	19
Operating income (loss) on quarterly consolidated statement of income	362

(C) Notes relating to changes in reportable segments etc.

(Change in the number of years to amortize actuarial gain/loss and past service costs in the accounting for retirement benefits)

As stated in “Changes in accounting estimates", The Company and certain domestic consolidated subsidiaries previously amortized actuarial gain/loss and past services costs in the accounting of retirement benefits over a certain number of years within the average remaining years of service of employees, i.e. 15 years. Effective from the 1st quarter of fiscal 2109, however, the amortization period has been changed to 13 years due to the average remaining years of service falling below 15 years.

As a result, segment income for the 1st quarter of fiscal 2019 has increased by 49 million yen for the Map Database segment and by 5 million yen for the General Printing segment, and segment loss improved by 0 million for the Other segment.

3. Supplementary Information

Sales Turnover based on Business Categories under the Medium- to Long-Term Business Plan ZGP2020

Business category	First quarter of fiscal 2018	First quarter of fiscal 2019	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	2,854	2,942	87	3.1	(for corporate customers) Printed residential maps, BLUE MAPS GIS Package products, Residential map data
Public Solution business	913	963	49	5.5	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Map Design business	88	60	(27)	(31.0)	Special-purpose maps, Map design stationary “mati mati” series, Original map design goods, Printed books
Automotive business	3,668	4,361	693	18.9	Data contents for Japanese in-car navigation systems, High-precision 3D data for AD/ADAS
IoT business	2,870	3,205	334	11.7	Services for smartphones, Map data for internet services, Provision of location based services
Marketing Solution business	1,644	2,077	432	26.3	Provision of Marketing Solution, General commercial printing
Total	12,039	13,610	1,570	13.0	

[Note] Effective from the 1st quarter of fiscal 2019, business segments have been revised under the Medium- to Long-term Business Plan ZGP2020, and quantities have been aggregated under the new segments.