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Financial Summary for the First 2 Quarters of Fiscal 2025 [Japanese GAAP] [Consolidated]

October 29, 2024

Name of listed company **ZENRIN CO., LTD.** Stock exchange listings: Tokyo and Fukuoka
 Securities code 9474 URL <https://www.zenrin.co.jp/>
 Representative [Title] Representative Director [Name] Zenshi Takayama
 Director of the Board
 Contact [Title] Senior Executive Officer and [Name] Yumiko Toshima TEL +81-93-882-9050
 Head of Corporate Management Division
 Scheduled date of file semi-annual securities report: October 30, 2024
 Scheduled date of commencement of dividend payments: December 3, 2024
 Preparation of supplementary explanatory materials on financial results: Yes
 Holding of financial results briefing: Yes (For institutional investors and analysts)
 (Amounts are rounded down to the nearest million yen)

1. Consolidated Results of Operations in the First 2 Quarters of Fiscal 2025

ZENRIN's the First 2 quarters of fiscal 2025 is the period from April 1, 2024 to September 30, 2024.

(1) Consolidated Business Performance [cumulative]

(Percentages represent changes year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
The first 2 quarters of fiscal 2025	28,712	5.7	(275)	—	(341)	—	(116)	—
The first 2 quarters of fiscal 2024	27,153	4.7	(1,581)	—	(1,626)	—	(1,221)	—

[Note] Comprehensive income The first 2 quarters of fiscal 2025: (50) million yen [—%]
 The first 2 quarters of fiscal 2024: 2,438 million yen [—%]

	Earnings per share	Diluted earnings per share
	yen	yen
The first 2 quarters of fiscal 2025	(2.19)	—
The first 2 quarters of fiscal 2024	(22.89)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity to total assets
	million yen	million yen	%
As of September 30, 2024	70,611	48,515	68.7
As of March 31, 2024	75,402	49,321	65.3

[Reference] Equity As of September 30, 2024: 48,509 million yen As of March 31, 2024: 49,220 million yen

2. Dividends

	Annual dividend				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal 2024	—	13.50	—	15.00	28.50
Fiscal 2025	—	15.00			
Fiscal 2025 [forecast]			—	15.00	30.00

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

3. Forecast for Consolidated Results of Operations in Fiscal 2025

ZENRIN's fiscal 2025 is the period from April 1, 2024 to March 31, 2025.

(Percentages represent changes year on year)

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
	64,300	4.8	3,600	81.7	3,700	79.6	2,500	20.3	46.84

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

1. Qualitative Information on Semi-annual Results

(1) Explanation of Business Performance

During the first two quarters of fiscal 2025 (from April 1, 2024 to September 30, 2024), the Japanese economy, while showing some signs of stagnation, continued its moderate recovery trend as the employment and income environment improved. However, the outlook remains uncertain due to factors such as rising prices, fluctuations in the financial and capital markets and the situation in the Middle East.

In such an environment, net sales in the automotive-related business increased as sales of data for in-car navigation systems grew. In the IoT-related business, API services also performed steadily. The growth in sales of data for in-car navigation systems includes the recording of one-time sales that are due to underreporting of quantities from previous fiscal years.

In terms of profit and loss, while personnel expenses increased due to the impact of base salary increases and other factors, each profit measure improved due to the effect of price revisions in addition to changes in the composition of sales.

As a result, the ZENRIN Group in the first two quarters of fiscal 2025 reported net sales of 28,712 million yen (an increase of 1,559 million yen, or up 5.7% compared to the same period of the previous fiscal year), operating loss of 275 million yen (improvement of 1,306 million yen compared to the same period of the previous fiscal year), ordinary loss of 341 million yen (improvement of 1,284 million yen compared to the same period of the previous fiscal year), and loss attributable to owners of parent of 116 million yen (improvement of 1,104 million yen compared to the same period of the previous fiscal year), due in part to the recording of gain on sale of shares of subsidiaries as extraordinary income.

It should be noted that while fixed costs, such as map database development expenses, are incurred throughout the year, expenses generally precede net sales due to the strong seasonal nature of net sales, which tend to be concentrated at the end of the fiscal year.

Information by business segment is omitted because the ZENRIN Group's reportable segment is a single segment.

(2) Explanation of Financial Position

Total assets at the end of the second quarter of fiscal 2025 amounted to 70,611 million yen (decreased 4,790 million yen, or down 6.4%, compared to the end of the previous fiscal year) reflecting a decrease in notes and accounts receivable - trade, and contract assets due to seasonal fluctuations and other factors.

Liabilities amounted to 22,096 million yen (decreased 3,985 million yen, or down 15.3%, compared to the end of the previous fiscal year). While advances received increased, accounts payable - trade decreased due to seasonal fluctuations and other factors, and short-term loans payable also decreased.

Net assets amounted to 48,515 million yen (decreased 805 million yen, or down 1.6%, compared to the end of the previous fiscal year) reflecting a decrease in retained earnings due to dividends of surplus and other factors.

As a result, the ratio of equity to total assets at the end of the second quarter of fiscal 2025 was 68.7% (up 3.4 points compared to the end of the previous fiscal year).

The following outlines the status of cash flows in the first two quarters of fiscal 2025.

Cash and cash equivalents at the end of the second quarter of fiscal 2025 stood at 12,325 million yen (decreased 888 million yen, or down 6.7%, compared to the end of the previous fiscal year).

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to 4,859 million yen (increased 1,114 million yen compared to the same period of the previous fiscal year). This was attributable to loss before income taxes of 81 million yen, a decrease in trade payables of 901 million yen, income taxes paid in the amount of 674 million yen and other factors for decrease, being offset by decreases in trade receivables of 4,301 million yen, depreciation of 2,732 million yen, an increase in advances received of 1,831 million yen, and other factors for increase.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to 2,631 million yen (increased 45 million yen compared to the same period of the previous fiscal year). This was attributable mainly to purchase of property, plant and equipment and intangible assets of 2,332 million yen in total.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to 3,174 million yen (increased 355 million yen compared to the same period of the previous fiscal year). This was attributable mainly to a net decrease in short-term borrowings of 2,050 million yen and dividends paid of 803 million yen.

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

The full-year forecast for the results of operations for fiscal 2025 remains unchanged from the forecast announced on April 26, 2024.

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

[Unit: million yen]

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	13,218	12,330
Notes and accounts receivable - trade, and contract assets	12,653	8,072
Electronically recorded monetary claims - operating	80	75
Securities	7	8
Merchandise and finished goods	827	768
Work in process	245	857
Raw materials and supplies	106	91
Other	2,266	2,250
Allowance for doubtful accounts	(3)	(2)
Total current assets	29,403	24,452
Non-current assets		
Property, plant and equipment	12,638	12,386
Intangible assets		
Goodwill	124	468
Software	11,110	11,278
Other	2,895	2,328
Total intangible assets	14,130	14,074
Investments and other assets		
Investment securities	12,925	13,335
Other	6,402	6,462
Allowance for doubtful accounts	(98)	(99)
Total investments and other assets	19,230	19,698
Total non-current assets	45,999	46,159
Total assets	75,402	70,611

[Unit: million yen]

As of March 31, 2024 As of September 30, 2024

Liabilities		
Current liabilities		
Accounts payable - trade	2,958	2,080
Short-term borrowings	3,460	1,110
Income taxes payable	723	227
Advances received	7,409	9,325
Provision for bonuses for directors (and other officers)	84	25
Asset retirement obligations	44	—
Other	7,714	6,017
Total current liabilities	22,395	18,785
Non-current liabilities		
Long-term borrowings	1,166	992
Provision for retirement benefits for directors (and other officers)	104	104
Provision for share awards for directors (and other officers)	53	48
Retirement benefit liability	246	249
Asset retirement obligations	62	62
Other	2,051	1,852
Total non-current liabilities	3,685	3,310
Total liabilities	26,081	22,096
Net assets		
Shareholders' equity		
Share capital	6,557	6,557
Capital surplus	12,447	12,585
Retained earnings	28,018	27,096
Treasury shares	(4,806)	(4,801)
Total shareholders' equity	42,217	41,438
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,099	6,190
Foreign currency translation adjustment	195	226
Remeasurements of defined benefit plans	708	655
Total accumulated other comprehensive income	7,003	7,071
Share acquisition rights	0	—
Non-controlling interests	99	5
Total net assets	49,321	48,515
Total liabilities and net assets	75,402	70,611

**(2) Consolidated Interim Statement of Income
and Consolidated Interim Statement of Comprehensive Income
Consolidated Interim Statement of Income [cumulative]**

[Unit: million yen]

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	27,153	28,712
Cost of sales	17,532	17,646
Gross profit	9,621	11,066
Selling, general and administrative expenses		
Personnel expenses	6,410	6,549
Provision for bonuses for directors (and other officers)	25	23
Retirement benefit expenses	155	154
Provision of allowance for doubtful accounts	0	0
Other	4,611	4,613
Total selling, general and administrative expenses	11,202	11,341
Operating loss	(1,581)	(275)
Non-operating income		
Interest income	2	7
Dividend income	64	169
Other	100	85
Total non-operating income	166	262
Non-operating expenses		
Interest expenses	9	8
Share of loss of entities accounted for using equity method	—	105
Foreign exchange losses	163	209
Other	38	5
Total non-operating expenses	211	328
Ordinary loss	(1,626)	(341)
Extraordinary income		
Gain on sale of non-current assets	—	0
Gain on sale of shares of subsidiaries	—	219
Other	—	57
Total extraordinary income	—	277
Extraordinary losses		
Loss on sale and retirement of non-current assets	5	16
Loss on valuation of investment securities	12	—
Total extraordinary losses	17	16
Loss before income taxes	(1,644)	(81)
Income taxes - current	162	220
Income taxes - deferred	(545)	(183)
Total income taxes	(382)	37
Loss	(1,261)	(118)
Loss attributable to non-controlling interests	(39)	(2)
Loss attributable to owners of parent	(1,221)	(116)

Consolidated Interim Statement of Comprehensive Income [cumulative]

[Unit: million yen]

	Six months ended September 30, 2023	Six months ended September 30, 2024
Loss	(1,261)	(118)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,775	91
Foreign currency translation adjustment	(36)	30
Remeasurements of defined benefit plans, net of tax	(39)	(52)
Total other comprehensive income	3,700	68
Comprehensive income	2,438	(50)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,478	(48)
Comprehensive income attributable to non-controlling interests	(39)	(2)

(3) Consolidated Interim Statement of Cash Flows

[Unit: million yen]

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(1,644)	(81)
Depreciation	2,651	2,732
Amortization of goodwill	64	55
Decrease (increase) in retirement benefit asset	(236)	(209)
Increase (decrease) in retirement benefit liability	1	3
Loss (gain) on valuation of investment securities	12	—
Interest and dividend income	(66)	(176)
Interest expenses	9	8
Share of loss (profit) of entities accounted for using equity method	—	105
Loss (gain) on sale and retirement of non-current assets	5	16
Loss (gain) on sale of shares of subsidiaries	—	(219)
Decrease (increase) in trade receivables	3,708	4,301
Decrease (increase) in inventories	(248)	(548)
Increase (decrease) in trade payables	(989)	(901)
Increase (decrease) in accrued expenses	(129)	(262)
Increase (decrease) in advances received	1,235	1,831
Increase (decrease) in accrued consumption taxes	(229)	(374)
Other, net	(230)	(917)
Subtotal	3,913	5,365
Interest and dividends received	53	176
Interest paid	(9)	(8)
Income taxes paid	(213)	(674)
Net cash provided by (used in) operating activities	3,744	4,859
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,232)	(2,332)
Purchase of investment securities	(265)	(130)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(405)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	157
Other, net	(88)	79
Net cash provided by (used in) investing activities	(2,585)	(2,631)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,766)	(2,050)
Repayments of long-term borrowings	(204)	(204)
Repayments of lease liabilities	(123)	(116)
Dividends paid	(723)	(803)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(2,819)	(3,174)
Effect of exchange rate change on cash and cash equivalents	95	58
Net increase (decrease) in cash and cash equivalents	(1,565)	(888)
Cash and cash equivalents at beginning of period	13,965	13,213
Cash and cash equivalents at end of period	12,400	12,325

(4) Notes to Interim Consolidated Financial Statements

Notes on Changes in Accounting Policies

(Application of Accounting Standard for Income Taxes, etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) and related guidance have been applied from the beginning of the first six months of fiscal 2025.

Previously, income taxes, inhabitant taxes and business taxes, etc. (hereinafter “income taxes, etc.”) were recorded in profit or loss at the amount calculated in accordance with laws and regulations. Under the new standard, income taxes, etc. on income are allocated to profit or loss, shareholders’ equity and other comprehensive income according to the transactions that gave rise to them. Regarding income taxes, etc. recorded in accumulated other comprehensive income, the corresponding tax amount is recorded in profit or loss at the point when the transactions that gave rise to these taxes are recorded in profit or loss. In addition, for temporary differences specific to consolidated financial statements arising from changes in a parent’s ownership interest, where deferred tax assets or deferred tax liabilities were previously recorded with capital surplus as the corresponding account, when such temporary differences are reversed due to the sale of investments in subsidiaries, etc., the reversal of deferred tax assets or deferred tax liabilities, which was previously recorded in income taxes - deferred, is now recorded with capital surplus as the corresponding account.

The impact of this change on the interim consolidated financial statements for the first six months of fiscal 2025 is immaterial.

Notes in the Event of Material Change in the Amount of Shareholders’ Equity

Not applicable.

Notes on the Going Concern Assumption

Not applicable.

3. Supplementary Information

Sales Turnover based on Business Categories under the Medium- to Long-Term Business Plan ZGP25

Business category	Six months ended September 30, 2023	Six months ended September 30, 2024	Amount of increase (decrease)	Rate of increase (decrease)	Main products
	million yen	million yen	million yen	%	
Product business	7,315	7,420	105	1.4	(for corporate customers and consumers) Printed residential maps, BLUE MAPS, GIS Package products, Residential map data Special-purpose maps
Public Solution business	2,903	2,936	32	1.1	(for central government ministries/agencies and local governments) Printed residential maps, BLUE MAPS, Residential map databases
Marketing Solution business	3,165	3,204	39	1.2	Provision of Marketing Solution, General commercial printing
IoT business	6,382	6,806	424	6.6	Services for smartphones, Map data for internet services, Provision of location-based services and solutions, Products of map design brands
Automotive business	7,386	8,344	957	13.0	Data contents for in-car navigation systems, High-precision 3D data for AD/ADAS
Total	27,153	28,712	1,559	5.7	