

May 10, 2013

Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 <under Japanese GAAP>

Name of the Listed Company: **Gurunavi, Inc.**
 Listed Stock Exchanges: Tokyo Stock Exchange
 Stock Code: 2440
 URL: <http://www.gnavi.co.jp/>
 Representative: Seiichiro Kubo, President
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Scheduled date of Annual General Meeting of Shareholders: June 21, 2013
 Scheduled date to commence dividend payments: June 24, 2013
 Scheduled date to submit Securities Report: June 24, 2013
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2013	27,265	12.2	3,116	(5.9)	3,153	(6.6)	1,959	2.6
March 31, 2012	24,302	(3.7)	3,312	(1.7)	3,375	(0.9)	1,909	5.3

Note: Comprehensive income

Fiscal year ended March 31, 2013: ¥1,974 million [3.4%]

Fiscal year ended March 31, 2012: ¥1,909 million [6.1%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2013	80.31	80.20	14.7	17.5	11.4
March 31, 2012	78.25	78.23	16.1	18.4	13.6

Reference: Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2013: —

Fiscal year ended March 31, 2012: —

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2013	19,103	14,098	73.5	575.53
March 31, 2012	16,951	12,569	74.1	514.59

Reference: Equity

As of March 31, 2013: ¥14,042 million As of March 31, 2012: ¥12,555 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2013	3,558	(5,148)	(564)	5,399
March 31, 2012	3,965	(1,730)	(5,083)	7,548

2. Cash dividends

	Annual dividends					Total amount of dividends (total)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2012	–	10.00	–	10.00	20.00	487	25.6	4.1
Fiscal year ended March 31, 2013	–	10.00	–	10.00	20.00	487	24.9	3.7
Fiscal year ending March 31, 2014 (Forecast)	–	10.00	–	10.00	20.00		25.7	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2013	14,000	10.7	1,100	(36.3)	1,100	(36.8)	700	(32.7)	28.69
Fiscal year ending March 31, 2014	30,300	11.1	3,200	2.7	3,200	1.5	1,900	(3.0)	77.87

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: Yes
 - d. Restatement of prior period financial statements after error corrections: None
- (3) Number of shares issued (common stock)
 - a. Total number of shares issued at the end of the period (including treasury stock)

As of March 31, 2013	25,984,000 shares
As of March 31, 2012	25,984,000 shares

- b. Number of shares of treasury stock at the end of the period

As of March 31, 2013	1,585,400 shares
As of March 31, 2012	1,585,400 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2013	24,398,600 shares
Fiscal year ended March 31, 2012	24,398,600 shares

Reference: Summary of non-consolidated financial results**Non-consolidated financial results for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2013	27,237	12.2	3,095	(1.6)	3,127	(1.8)	1,949	10.0
March 31, 2012	24,282	(3.0)	3,144	(3.4)	3,182	(3.2)	1,771	0.9

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2013	79.89	79.79
March 31, 2012	72.60	72.59

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2013	18,907	13,906	73.3	567.66
March 31, 2012	16,774	12,402	73.9	507.77

Reference: Equity

As of March 31, 2013: ¥13,850 million As of March 31, 2012: ¥12,388 million

*** Indication regarding execution of audit procedures**

This financial results report is not subject to the audit procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this financial results report, the audit procedures in accordance with the Financial Instruments and Exchange Act are in progress.

*** Proper use of earnings forecasts, and other special matters**

The forecast figures stated above are based on information currently available to the Company and contain many uncertain factors. Actual business and other results may differ from the above forecast figures due to changes in business conditions, etc.

Consolidated financial statements

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets		
Cash and deposits	7,548,458	7,399,344
Notes and accounts receivable-trade	3,706,628	3,948,848
Work in process	12,883	26,647
Deferred tax assets	426,357	468,602
Accounts receivable-other	1,035,090	1,373,321
Other	222,735	394,224
Allowance for doubtful accounts	(445,681)	(414,658)
Total current assets	12,506,472	13,196,329
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	453,392	379,051
Lease assets, net	149,508	82,410
Other, net	350,115	518,873
Total property, plant and equipment	953,016	980,335
Intangible assets		
Goodwill	1,250	—
Lease assets	10,955	4,938
Software	2,206,645	3,056,998
Other	65,258	426,201
Total intangible assets	2,284,108	3,488,138
Investments and other assets		
Investment securities	47,576	54,521
Deferred tax assets	342,822	437,237
Lease and guarantee deposits	763,626	848,180
Other	53,396	99,187
Total investments and other assets	1,207,421	1,439,127
Total noncurrent assets	4,444,546	5,907,600
Total assets	16,951,019	19,103,930

(Thousands of yen)

	As of March 31, 2012	As of March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	137,679	200,691
Lease obligations	78,101	61,422
Income taxes payable	736,445	825,560
Provision for bonuses	461,705	513,363
Provision for point card certificates	221,797	277,967
Accounts payable-other	1,915,055	2,248,792
Advances received	213,816	191,336
Other	333,419	477,330
Total current liabilities	4,098,020	4,796,465
Noncurrent liabilities		
Lease obligations	94,665	33,243
Asset retirement obligations	172,858	174,814
Negative goodwill	15,296	—
Other	1,100	1,100
Total noncurrent liabilities	283,920	209,158
Total liabilities	4,381,940	5,005,623
Net assets		
Shareholders' equity		
Capital stock	2,334,300	2,334,300
Capital surplus	2,884,780	2,884,780
Retained earnings	9,228,282	10,699,717
Treasury stock	(1,841,718)	(1,841,718)
Total shareholders' equity	12,605,645	14,077,080
Accumulated other comprehensive income		
Foreign currency translation adjustment	(50,418)	(35,062)
Total accumulated other comprehensive income	(50,418)	(35,062)
Subscription rights to shares	13,851	56,290
Total net assets	12,569,078	14,098,307
Total liabilities and net assets	16,951,019	19,103,930

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	24,302,290	27,265,388
Cost of sales	5,096,017	5,967,870
Gross profit	19,206,272	21,297,518
Selling, general and administrative expenses	15,893,436	18,180,730
Operating income	3,312,836	3,116,787
Non-operating income		
Interest income	5,982	8,300
Amortization of negative goodwill	30,592	15,296
Subsidy income	20,000	11,033
Foreign exchange gains	963	–
Other	14,661	13,686
Total non-operating income	72,199	48,316
Non-operating expenses		
Interest expenses	8,945	1,733
Foreign exchange losses	–	9,545
Other	871	327
Total non-operating expenses	9,817	11,606
Ordinary income	3,375,218	3,153,497
Extraordinary income		
Subsidy income	–	150,015
Total extraordinary income	–	150,015
Extraordinary loss		
Loss on valuation of golf club membership	2,350	16,320
Total extraordinary losses	2,350	16,320
Income before income taxes and minority interests	3,372,868	3,287,191
Income taxes-current	1,440,757	1,464,444
Income taxes-deferred	22,978	(136,660)
Total income taxes	1,463,736	1,327,784
Income before minority interests	1,909,132	1,959,407
Net income	1,909,132	1,959,407

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income before minority interests	1,909,132	1,959,407
Other comprehensive income		
Foreign currency translation adjustment	328	15,355
Total other comprehensive income	328	15,355
Comprehensive income	1,909,461	1,974,762
Comprehensive income attributable to:		
Owners of the parent	1,909,461	1,974,762
Minority interests	—	—

(3) Consolidated statements of changes in net assets

(Thousands of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,334,300	2,334,300
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,334,300	2,334,300
Capital surplus		
Balance at the beginning of current period	2,884,780	2,884,780
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,884,780	2,884,780
Retained earnings		
Balance at the beginning of current period	7,807,121	9,228,282
Changes of items during the period		
Dividends from surplus	(487,972)	(487,972)
Net income	1,909,132	1,959,407
Total changes of items during the period	1,421,160	1,471,435
Balance at the end of current period	9,228,282	10,699,717
Treasury stock		
Balance at the beginning of current period	(1,841,718)	(1,841,718)
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	(1,841,718)	(1,841,718)
Total shareholders' equity		
Balance at the beginning of current period	11,184,484	12,605,645
Changes of items during the period		
Dividends from surplus	(487,972)	(487,972)
Net income	1,909,132	1,959,407
Total changes of items during the period	1,421,160	1,471,435
Balance at the end of current period	12,605,645	14,077,080

(Thousands of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Foreign currency translation adjustment		
Balance at the beginning of current period	(50,746)	(50,418)
Changes of items during the period		
Net changes of items other than shareholders' equity	328	15,355
Total changes of items during the period	328	15,355
Balance at the end of current period	(50,418)	(35,062)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(50,746)	(50,418)
Changes of items during the period		
Net changes of items other than shareholders' equity	328	15,355
Total changes of items during the period	328	15,355
Balance at the end of current period	(50,418)	(35,062)
Subscription rights to shares		
Balance at the beginning of current period	–	13,851
Changes of items during the period		
Net changes of items other than shareholders' equity	13,851	42,438
Total changes of items during the period	13,851	42,438
Balance at the end of current period	13,851	56,290
Total net assets		
Balance at the beginning of current period	11,133,737	12,569,078
Changes of items during the period		
Dividends from surplus	(487,972)	(487,972)
Net income	1,909,132	1,959,407
Net changes of items other than shareholders' equity	14,180	57,793
Total changes of items during the period	1,435,341	1,529,228
Balance at the end of current period	12,569,078	14,098,307

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,372,868	3,287,191
Depreciation and amortization	1,739,306	1,892,503
Increase (decrease) in allowance for doubtful accounts	(46,692)	(31,022)
Increase (decrease) in provision for bonuses	(19,975)	51,657
Increase (decrease) in provision for point card certificates	118,107	56,121
Increase (decrease) in provision for office transfer expenses	(21,446)	–
Decrease (increase) in notes and accounts receivable-trade	(186,209)	(240,742)
Decrease (increase) in accounts receivable-other	(100,896)	(337,650)
Increase (decrease) in notes and accounts payable-trade	10,677	63,011
Increase (decrease) in accounts payable-other	248,784	245,553
Increase (decrease) in advances received	8,786	(23,622)
Increase (decrease) in asset retirement obligations	1,933	1,956
Other, net	65,924	(2,843)
Subtotal	5,191,169	4,962,114
Interest and dividends income received	5,721	7,741
Interest expenses paid	(8,945)	(1,733)
Income taxes paid	(1,222,860)	(1,410,069)
Net cash provided by (used in) operating activities	3,965,084	3,558,052
Net cash provided by (used in) investing activities		
Payments into time deposits	–	(2,000,000)
Purchase of property, plant and equipment	(445,080)	(325,483)
Purchase of software	(1,422,691)	(2,723,691)
Payments for lease and guarantee deposits	(4,469)	(88,127)
Proceeds from collection of lease and guarantee deposits	166,597	2,320
Other, net	(25,263)	(13,275)
Net cash provided by (used in) investing activities	(1,730,906)	(5,148,256)
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(4,500,000)	–
Cash dividends paid	(485,333)	(486,164)
Other, net	(98,495)	(78,101)
Net cash provided by (used in) financing activities	(5,083,828)	(564,265)
Effect of exchange rate change on cash and cash equivalents	(605)	5,355
Net increase (decrease) in cash and cash equivalents	(2,850,257)	(2,149,114)
Cash and cash equivalents at beginning of period	10,398,716	7,548,458
Cash and cash equivalents at end of period	7,548,458	5,399,344