

May 11, 2015

Consolidated Financial Results

for the Fiscal Year Ended March 31, 2015

<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 22, 2015
 Scheduled date to commence dividend payments: June 23, 2015
 Scheduled date to submit Securities Report: June 23, 2015
 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, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2015	32,636	6.9	5,099	22.9	5,127	23.0	3,279	35.5
March 31, 2014	30,518	11.9	4,147	33.1	4,167	32.2	2,420	23.5

Note: Comprehensive income

Fiscal year ended March 31, 2015: ¥3,313 million [34.5%]

Fiscal year ended March 31, 2014: ¥2,462 million [24.7%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2015	67.26	66.98	19.6	22.4	15.6
March 31, 2014	49.56	49.29	16.1	20.2	13.6

Reference: Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2015: —

Fiscal year ended March 31, 2014: —

Note: The Company conducted a two-for-one stock split on April 1, 2014. Net income per share and diluted net income per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year ended March 31, 2014.

(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, 2015	23,665	17,464	73.6	360.01
March 31, 2014	22,071	16,145	72.9	328.83

Reference: Equity

As of March 31, 2015: ¥17,427 million

As of March 31, 2014: ¥16,099 million

Note: The Company conducted a two-for-one stock split on April 1, 2014. The amount of net assets per share is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year ended March 31, 2014.

(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, 2015	5,775	(2,731)	(2,025)	9,492
March 31, 2014	5,443	(1,928)	(496)	8,448

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, 2014	—	10.00	—	20.00	30.00	733	30.3	4.9
Fiscal year ended March 31, 2015	—	11.00	—	17.00	28.00	1,362	41.6	8.1
Fiscal year ending March 31, 2016 (Forecast)	—	15.00	—	20.00	35.00		45.8	

- Note: 1. For details on the increase in the amount of the fiscal year-end dividends for the fiscal year ended March 31, 2015, please refer to “Notice regarding FY2014 year-end dividends” announced on this day (May 11, 2015).
2. The Company conducted a two-for-one stock split on April 1, 2014. As the effective date of the stock split was April 1, 2014, the Company paid dividends for the year-end dividend for the fiscal year ended March 31, 2014, based on the number of shares before the stock split. Accordingly, the dividends are stated based on the number of shares before the stock split. In addition, the forecasts for the interim dividends and year-end dividends for the fiscal year ended March 31, 2015 and the fiscal year ending March 31, 2016 are stated giving consideration to the effects after the stock split.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	16,300	4.5	2,400	2.4	2,400	2.0	1,600	7.6	33.05
Fiscal year ending March 31, 2016	34,400	5.4	5,700	11.8	5,700	11.2	3,700	12.8	76.43

* 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
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement of prior period financial statements after error corrections: None

(3) Number of shares issued (common shares)

- a. Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2015	48,675,100 shares
As of March 31, 2014	51,968,000 shares

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

As of March 31, 2015	266,059 shares
As of March 31, 2014	3,007,298 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2015	48,762,452 shares
Fiscal year ended March 31, 2014	48,841,666 shares

Note: The Company conducted a two-for-one stock split on April 1, 2014. The number of shares issued (common shares) in the table above is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year ended March 31, 2014.

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(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, 2015	32,579	6.9	5,079	22.9	5,078	22.7	3,241	43.9
March 31, 2014	30,476	11.9	4,132	33.5	4,140	32.4	2,251	15.5

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2015	66.47	66.19
March 31, 2014	46.11	45.85

Note: The Company conducted a two-for-one stock split on April 1, 2014. Net income per share and diluted net income per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year ended March 31, 2014.

(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, 2015	23,144	16,989	73.2	350.20
March 31, 2014	21,662	15,742	72.5	320.61

Reference: Equity

As of March 31, 2015: ¥16,952 million

As of March 31, 2014: ¥15,697 million

Note: The Company conducted a two-for-one stock split on April 1, 2014. The amount of net assets per share is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year ended March 31, 2014.

* 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

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ materially due to various factors.

Consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	9,448,940	9,992,176
Notes and accounts receivable - trade	4,267,226	4,408,663
Securities	—	499,968
Work in process	52,674	35,840
Deferred tax assets	596,068	629,488
Accounts receivable - other	1,462,195	1,576,695
Other	359,184	405,802
Allowance for doubtful accounts	(294,455)	(323,661)
Total current assets	15,891,835	17,224,974
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	347,318	359,384
Leased assets, net	133,299	88,922
Other, net	649,911	769,394
Total property, plant and equipment	1,130,529	1,217,700
Intangible assets		
Goodwill	15,916	—
Leased assets	1,426	—
Software	3,373,861	3,256,334
Other	219,008	263,732
Total intangible assets	3,610,214	3,520,066
Investments and other assets		
Investment securities	34,000	34,000
Deferred tax assets	424,109	536,176
Lease and guarantee deposits	921,935	1,084,690
Other	59,098	48,224
Total investments and other assets	1,439,143	1,703,092
Total non-current assets	6,179,887	6,440,859
Total assets	22,071,722	23,665,833

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	199,659	220,689
Lease obligations	33,072	170
Income taxes payable	1,250,147	1,135,622
Provision for bonuses	846,195	956,212
Provision for point card certificates	245,413	206,033
Accounts payable - other	2,282,438	1,983,810
Advances received	187,864	233,307
Other	703,212	1,261,521
Total current liabilities	5,748,004	5,997,368
Non-current liabilities		
Lease obligations	170	–
Asset retirement obligations	176,793	202,632
Other	1,100	1,100
Total non-current liabilities	178,064	203,732
Total liabilities	5,926,068	6,201,100
Net assets		
Shareholders' equity		
Capital stock	2,334,300	2,334,300
Capital surplus	2,884,780	2,884,780
Retained earnings	12,620,411	12,392,343
Treasury shares	(1,746,744)	(224,457)
Total shareholders' equity	16,092,747	17,386,966
Accumulated other comprehensive income		
Foreign currency translation adjustment	7,028	40,883
Total accumulated other comprehensive income	7,028	40,883
Subscription rights to shares	45,878	36,883
Total net assets	16,145,653	17,464,733
Total liabilities and net assets	22,071,722	23,665,833

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

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	30,518,557	32,636,745
Cost of sales	7,817,021	8,683,035
Gross profit	22,701,535	23,953,709
Selling, general and administrative expenses	18,553,688	18,854,063
Operating income	4,147,847	5,099,646
Non-operating income		
Interest income	8,532	12,304
Gain on forfeiture of unclaimed dividends	3,686	2,757
Subsidy income	12,948	9,705
Foreign tax refund	–	13,565
Other	7,694	9,978
Total non-operating income	32,863	48,309
Non-operating expenses		
Interest expenses	765	148
Foreign exchange losses	10,159	7,592
Commission for purchase of treasury shares	–	2,291
Cancellation penalty of rent agreement	–	10,383
Other	2,255	340
Total non-operating expenses	13,180	20,756
Ordinary income	4,167,530	5,127,199
Extraordinary income		
Gain on sales of investment securities	39,478	–
Gain on reversal of subscription rights to shares	–	766
Total extraordinary income	39,478	766
Extraordinary losses		
Impairment loss on goodwill	–	12,018
Loss on liquidation of subsidiaries and associates	580	–
Total extraordinary losses	580	12,018
Income before income taxes and minority interests	4,206,429	5,115,947
Income taxes - current	1,900,137	1,981,705
Income taxes - deferred	(114,337)	(145,488)
Total income taxes	1,785,800	1,836,217
Income before minority interests	2,420,628	3,279,729
Net income	2,420,628	3,279,729

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	2,420,628	3,279,729
Other comprehensive income		
Foreign currency translation adjustment	42,090	33,854
Total other comprehensive income	42,090	33,854
Comprehensive income	2,462,719	3,313,584
Comprehensive income attributable to:		
Owners of parent	2,462,719	3,313,584
Minority interests	—	—

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2014

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,334,300	2,884,780	10,699,717	(1,841,718)	14,077,080
Changes of items during period					
Dividends of surplus			(488,101)		(488,101)
Purchase of treasury shares				(51)	(51)
Disposal of treasury shares			(11,833)	95,024	83,191
Retirement of treasury shares					
Net income			2,420,628		2,420,628
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,920,693	94,973	2,015,667
Balance at end of current period	2,334,300	2,884,780	12,620,411	(1,746,744)	16,092,747

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(35,062)	(35,062)	56,290	14,098,307
Changes of items during period				
Dividends of surplus				(488,101)
Purchase of treasury shares				(51)
Disposal of treasury shares				83,191
Retirement of treasury shares				
Net income				2,420,628
Net changes of items other than shareholders' equity	42,090	42,090	(10,412)	31,678
Total changes of items during period	42,090	42,090	(10,412)	2,047,346
Balance at end of current period	7,028	7,028	45,878	16,145,653

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,334,300	2,884,780	12,620,411	(1,746,744)	16,092,747
Changes of items during period					
Dividends of surplus			(1,028,684)		(1,028,684)
Purchase of treasury shares				(1,000,279)	(1,000,279)
Disposal of treasury shares			(4,588)	48,041	43,452
Retirement of treasury shares			(2,474,525)	2,474,525	–
Net income			3,279,729		3,279,729
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	(228,067)	1,522,287	1,294,219
Balance at end of current period	2,334,300	2,884,780	12,392,343	(224,457)	17,386,966

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	7,028	7,028	45,878	16,145,653
Changes of items during period				
Dividends of surplus				(1,028,684)
Purchase of treasury shares				(1,000,279)
Disposal of treasury shares				43,452
Retirement of treasury shares				–
Net income				3,279,729
Net changes of items other than shareholders' equity	33,854	33,854	(8,994)	24,859
Total changes of items during period	33,854	33,854	(8,994)	1,319,079
Balance at end of current period	40,883	40,883	36,883	17,464,733

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	4,206,429	5,115,947
Depreciation	2,538,811	2,639,644
Impairment loss on goodwill	–	12,018
Increase (decrease) in allowance for doubtful accounts	(120,202)	29,205
Increase (decrease) in provision for bonuses	332,831	110,016
Increase (decrease) in provision for point card certificates	(32,647)	(39,421)
Decrease (increase) in notes and accounts receivable - trade	(314,488)	(137,638)
Decrease (increase) in accounts receivable - other	(89,696)	(114,399)
Increase (decrease) in notes and accounts payable - trade	(1,032)	21,030
Increase (decrease) in accounts payable - other	133,019	(372,277)
Increase (decrease) in advances received	(7,183)	42,056
Other, net	240,670	554,443
Subtotal	6,886,511	7,860,625
Interest and dividend income received	9,398	11,927
Interest expenses paid	(765)	(148)
Income taxes paid	(1,481,431)	(2,107,824)
Income taxes refund	29,690	11,412
Net cash provided by (used in) operating activities	5,443,402	5,775,992
Cash flows from investing activities		
Payments into time deposits	(1,000,000)	(1,000,000)
Proceeds from withdrawal of time deposits	2,000,000	1,000,000
Proceeds from sales of investment securities	50,000	–
Purchase of property, plant and equipment	(583,613)	(428,909)
Payments for transfer of business	(19,490)	–
Purchase of software	(2,306,486)	(2,134,033)
Payments for lease and guarantee deposits	(78,988)	(176,264)
Proceeds from collection of lease and guarantee deposits	4,857	5,413
Other, net	5,670	2,518
Net cash provided by (used in) investing activities	(1,928,050)	(2,731,274)
Cash flows from financing activities		
Purchase of treasury shares	(51)	(1,000,279)
Cash dividends paid	(486,066)	(1,025,592)
Other, net	(10,277)	(42)
Net cash provided by (used in) financing activities	(496,395)	(2,025,915)
Effect of exchange rate change on cash and cash equivalents	30,638	24,402
Net increase (decrease) in cash and cash equivalents	3,049,596	1,043,204
Cash and cash equivalents at beginning of period	5,399,344	8,448,940
Cash and cash equivalents at end of period	8,448,940	9,492,145