

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2016
<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/company/english/>
Representative: Seiichiro Kubo, President
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Scheduled date to submit Quarterly Securities Report: October 30, 2015
Scheduled date to commence dividend payments: December 4, 2015
Preparation of supplementary materials on quarterly financial results: Yes
Holding of quarterly 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 second quarter of the fiscal year ending March 31, 2016 (from April 1, 2015 to September 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2015	16,353	4.9	3,291	40.5	3,310	40.6	2,201	48.1
September 30, 2014	15,596	8.3	2,342	9.7	2,353	10.3	1,486	22.5

Note: Comprehensive income
Six months ended September 30, 2015: ¥2,209 million [49.7%]
Six months ended September 30, 2014: ¥1,475 million [19.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2015	45.47	45.30
September 30, 2014	30.35	30.22

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2015	23,957	18,858	78.6	388.71
March 31, 2015	23,665	17,464	73.6	360.01

Reference: Equity
As of September 30, 2015: ¥18,822 million As of March 31, 2015: ¥17,427 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	—	11.00	—	17.00	28.00
Fiscal year ending March 31, 2016	—	15.00			
Fiscal year ending March 31, 2016 (Forecast)			—	20.00	35.00

Note: Revisions to the cash dividend forecasts most recently announced: None

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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2016	34,400	5.4	6,000	17.7	6,000	17.0	3,900	18.9	80.55

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

For details on the revisions to the consolidated earnings forecasts, please refer to “Revised Full-Year Business Forecast for the Fiscal Year ending March 31, 2016” announced on this day (October 29, 2015).

* Notes

- (1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
- (3) 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: None
 - d. Restatement of prior period financial statements after error corrections: None

(4) Number of shares issued (common shares)

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

As of September 30, 2015	48,675,100 shares
As of March 31, 2015	48,675,100 shares

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

As of September 30, 2015	253,659 shares
As of March 31, 2015	266,059 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2015	48,416,777 shares
Six months ended September 30, 2014	48,982,348 shares

* Indication regarding execution of quarterly review procedures

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

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	9,992,176	10,503,384
Notes and accounts receivable - trade	4,408,663	4,343,705
Securities	499,968	499,967
Work in process	35,840	69,875
Accounts receivable - other	1,576,695	1,547,025
Other	1,035,291	1,222,490
Allowance for doubtful accounts	(323,661)	(384,037)
Total current assets	17,224,974	17,802,413
Non-current assets		
Property, plant and equipment	1,217,700	1,102,297
Intangible assets		
Software	3,256,334	2,997,736
Other	263,732	310,104
Total intangible assets	3,520,066	3,307,841
Investments and other assets	1,703,092	1,744,936
Total non-current assets	6,440,859	6,155,074
Total assets	23,665,833	23,957,487
Liabilities		
Current liabilities		
Notes and accounts payable - trade	220,689	191,234
Income taxes payable	1,135,622	1,140,820
Provision for bonuses	956,212	676,399
Provision for point card certificates	206,033	195,239
Accounts payable - other	1,983,810	1,466,041
Other	1,494,999	1,224,732
Total current liabilities	5,997,368	4,894,467
Non-current liabilities		
Asset retirement obligations	202,632	203,735
Other	1,100	1,100
Total non-current liabilities	203,732	204,835
Total liabilities	6,201,100	5,099,303
Net assets		
Shareholders' equity		
Capital stock	2,334,300	2,334,300
Capital surplus	2,884,780	2,884,780
Retained earnings	12,392,343	13,767,741
Treasury shares	(224,457)	(213,996)
Total shareholders' equity	17,386,966	18,772,825
Accumulated other comprehensive income		
Foreign currency translation adjustment	40,883	49,208
Total accumulated other comprehensive income	40,883	49,208
Subscription rights to shares	36,883	36,150
Total net assets	17,464,733	18,858,184
Total liabilities and net assets	23,665,833	23,957,487

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

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	15,596,889	16,353,635
Cost of sales	4,086,846	4,083,735
Gross profit	11,510,042	12,269,899
Selling, general and administrative expenses	9,167,240	8,978,704
Operating income	2,342,802	3,291,194
Non-operating income		
Interest income	5,809	6,608
Subsidy income	3,599	4,800
Promotional subsidy income	—	5,000
Other	4,842	2,685
Total non-operating income	14,251	19,093
Non-operating expenses		
Interest expenses	132	0
Foreign exchange losses	3,075	174
Other	340	—
Total non-operating expenses	3,548	175
Ordinary income	2,353,505	3,310,113
Extraordinary income		
Gain on reversal of subscription rights to shares	511	56
Total extraordinary income	511	56
Income before income taxes and minority interests	2,354,017	3,310,170
Income taxes	867,197	1,108,699
Profit	1,486,819	2,201,471
Profit attributable to owners of parent	1,486,819	2,201,471

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	1,486,819	2,201,471
Other comprehensive income		
Foreign currency translation adjustment	(10,844)	8,325
Total other comprehensive income	(10,844)	8,325
Comprehensive income	1,475,974	2,209,796
Comprehensive income attributable to:		
Owners of parent	1,475,974	2,209,796
Non-controlling interests	—	—

(3) Consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	2,354,017	3,310,170
Depreciation	1,300,814	1,477,575
Increase (decrease) in allowance for doubtful accounts	14,504	60,375
Increase (decrease) in provision for bonuses	(223,297)	(279,812)
Increase (decrease) in provision for point card certificates	(8,178)	(10,804)
Decrease (increase) in notes and accounts receivable - trade	208,794	65,600
Decrease (increase) in accounts receivable - other	(2,631)	29,763
Increase (decrease) in notes and accounts payable - trade	42,041	(29,454)
Increase (decrease) in accounts payable - other	(527,071)	(256,783)
Increase (decrease) in advances received	151,269	64,891
Other, net	210,288	(564,763)
Subtotal	3,520,550	3,866,758
Interest and dividend income received	5,556	6,315
Interest expenses paid	(132)	0
Income taxes paid	(1,216,398)	(1,100,952)
Net cash provided by (used in) operating activities	2,309,577	2,772,121
Cash flows from investing activities		
Payments into time deposits	—	(1,000,000)
Proceeds from withdrawal of time deposits	1,000,000	1,000,000
Purchase of property, plant and equipment	(250,877)	(391,661)
Purchase of software	(1,146,193)	(1,024,751)
Payments for lease and guarantee deposits	(57,913)	(42,619)
Proceeds from collection of lease and guarantee deposits	2,192	1,594
Other, net	(1,809)	4,241
Net cash provided by (used in) investing activities	(454,600)	(1,453,196)
Cash flows from financing activities		
Cash dividends paid	(488,326)	(821,111)
Other, net	(3,547)	5,409
Net cash provided by (used in) financing activities	(491,874)	(815,702)
Effect of exchange rate change on cash and cash equivalents	(13,289)	7,982
Net increase (decrease) in cash and cash equivalents	1,349,812	511,206
Cash and cash equivalents at beginning of period	8,448,940	9,492,145
Cash and cash equivalents at end of period	9,798,752	10,003,351