

May 11, 2016

Consolidated Financial Results for the Fiscal Year Ended 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/>
 Representative: Seiichiro Kubo, President
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Scheduled date of Annual General Meeting of Shareholders: June 20, 2016
 Scheduled date to commence dividend payments: June 21, 2016
 Scheduled date to submit Securities Report: June 21, 2016
 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2016	34,617	6.1	6,429	26.1	6,492	26.6	4,367	33.2
March 31, 2015	32,636	6.9	5,099	22.9	5,127	23.0	3,279	35.5

Note: Comprehensive income

Fiscal year ended March 31, 2016: ¥4,352 million [31.4%]

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

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income on total assets	Operating income on net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2016	90.19	89.86	23.2	25.5	18.6
March 31, 2015	67.26	66.98	19.6	22.4	15.6

Reference: Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2016: —

Fiscal year ended March 31, 2015: —

(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, 2016	27,322	20,296	74.2	418.22
March 31, 2015	23,665	17,464	73.6	360.01

Reference: Equity

As of March 31, 2016: ¥20,266 million

As of March 31, 2015: ¥17,427 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, 2016	6,897	(2,724)	(1,518)	12,131
March 31, 2015	5,775	(2,731)	(2,025)	9,492

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, 2015	—	11.00	—	17.00	28.00	1,362	41.6	8.1
Fiscal year ended March 31, 2016	—	15.00	—	23.00	38.00	1,840	42.1	9.8
Fiscal year ending March 31, 2017 (Forecast)	—	20.00	—	20.00	40.00		42.6	

Note: For details on the increase in the amount of the fiscal year-end dividends for the fiscal year ended March 31, 2016, please refer to “Notice regarding FY2015 year-end dividend increase” announced on this day (May 11, 2016).

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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
Six months ending September 30, 2016	17,400	6.4	2,800	(14.9)	2,800	(15.4)	1,880	38.80
Fiscal year ending March 31, 2017	37,000	6.9	6,700	4.2	6,700	3.2	4,550	93.89

* 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: Yes
 - 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, 2016	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 March 31, 2016	216,459 shares
As of March 31, 2015	266,059 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2016	48,431,510 shares
Fiscal year ended March 31, 2015	48,762,452 shares

Reference: Summary of non-consolidated financial results**Non-consolidated financial results for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)****(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, 2016	34,537	6.0	6,392	25.8	6,432	26.6	4,324	33.4
March 31, 2015	32,579	6.9	5,079	22.9	5,078	22.7	3,241	43.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2016	89.30	88.97
March 31, 2015	66.47	66.19

(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, 2016	26,848	19,793	73.6	407.84
March 31, 2015	23,144	16,989	73.2	350.20

Reference: Equity

As of March 31, 2016: ¥19,763 million

As of March 31, 2015: ¥16,952 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**

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, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	9,992,176	12,631,915
Notes and accounts receivable - trade	4,408,663	4,670,436
Securities	499,968	499,975
Work in process	35,840	43,670
Deferred tax assets	629,488	778,893
Accounts receivable - other	1,576,695	1,747,897
Other	405,802	802,945
Allowance for doubtful accounts	(323,661)	(286,563)
Total current assets	17,224,974	20,889,170
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	359,384	327,561
Leased assets, net	88,922	-
Other, net	769,394	606,134
Total property, plant and equipment	1,217,700	933,695
Intangible assets		
Software	3,256,334	2,759,487
Other	263,732	791,160
Total intangible assets	3,520,066	3,550,648
Investments and other assets		
Investment securities	34,000	70,000
Deferred tax assets	536,176	579,033
Lease and guarantee deposits	1,084,690	1,183,256
Other	48,224	117,054
Total investments and other assets	1,703,092	1,949,344
Total non-current assets	6,440,859	6,433,688
Total assets	23,665,833	27,322,858

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	220,689	288,248
Lease obligations	170	-
Income taxes payable	1,135,622	1,457,610
Provision for bonuses	956,212	1,378,322
Provision for point card certificates	206,033	168,218
Accounts payable - other	1,983,810	2,264,118
Advances received	233,307	187,139
Other	1,261,521	1,066,297
Total current liabilities	5,997,368	6,809,954
Non-current liabilities		
Asset retirement obligations	202,632	215,332
Other	1,100	1,100
Total non-current liabilities	203,732	216,432
Total liabilities	6,201,100	7,026,387
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	15,203,906
Treasury shares	(224,457)	(182,612)
Total shareholders' equity	17,386,966	20,240,374
Accumulated other comprehensive income		
Foreign currency translation adjustment	40,883	25,973
Total accumulated other comprehensive income	40,883	25,973
Subscription rights to shares	36,883	30,123
Total net assets	17,464,733	20,296,471
Total liabilities and net assets	23,665,833	27,322,858

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

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	32,636,745	34,617,075
Cost of sales	8,683,035	8,626,664
Gross profit	23,953,709	25,990,410
Selling, general and administrative expenses	18,854,063	19,560,862
Operating income	5,099,646	6,429,548
Non-operating income		
Interest income	12,304	13,131
Subsidy income	9,705	10,663
Foreign tax refund	13,565	181
Income from expiration of gift cards	-	24,815
Other	12,735	14,802
Total non-operating income	48,309	63,594
Non-operating expenses		
Interest expenses	148	0
Foreign exchange losses	7,592	780
Commission for purchase of treasury shares	2,291	-
Cancellation penalty of rent agreement	10,383	-
Other	340	26
Total non-operating expenses	20,756	807
Ordinary income	5,127,199	6,492,335
Extraordinary income		
Gain on reversal of subscription rights to shares	766	142
Total extraordinary income	766	142
Extraordinary losses		
Impairment loss on goodwill	12,018	-
Loss on liquidation of subsidiaries and associates	-	6,843
Total extraordinary losses	12,018	6,843
Profit before income taxes	5,115,947	6,485,633
Income taxes - current	1,981,705	2,310,094
Income taxes - deferred	(145,488)	(192,260)
Total income taxes	1,836,217	2,117,833
Net income	3,279,729	4,367,799
Profit attributable to owners of parent	3,279,729	4,367,799

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net income	3,279,729	4,367,799
Other comprehensive income		
Foreign currency translation adjustment	33,854	(14,909)
Total other comprehensive income	33,854	(14,909)
Comprehensive income	3,313,584	4,352,890
Comprehensive income attributable to:		
Owners of parent	3,313,584	4,352,890
Non-controlling interests	-	-

(3) Consolidated statements of changes in equity

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	-
Profit attributable to owners of parent			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				-
Profit attributable to owners of parent				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

Fiscal year ended March 31, 2016

(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	12,392,343	(224,457)	17,386,966
Changes of items during period					
Dividends of surplus			(1,549,275)		(1,549,275)
Purchase of treasury shares					
Disposal of treasury shares			(6,961)	41,844	34,883
Retirement of treasury shares					
Profit attributable to owners of parent			4,367,799		4,367,799
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,811,563	41,844	2,853,407
Balance at end of current period	2,334,300	2,884,780	15,203,906	(182,612)	20,240,374

	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	40,883	40,883	36,883	17,464,733
Changes of items during period				
Dividends of surplus				(1,549,275)
Purchase of treasury shares				
Disposal of treasury shares				34,883
Retirement of treasury shares				
Profit attributable to owners of parent				4,367,799
Net changes of items other than shareholders' equity	(14,909)	(14,909)	(6,759)	(21,669)
Total changes of items during period	(14,909)	(14,909)	(6,759)	2,831,738
Balance at end of current period	25,973	25,973	30,123	20,296,471

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	5,115,947	6,485,633
Depreciation	2,639,644	2,841,396
Impairment loss on goodwill	12,018	-
Increase (decrease) in allowance for doubtful accounts	29,205	(37,098)
Increase (decrease) in provision for bonuses	110,016	422,109
Increase (decrease) in provision for point card certificates	(39,421)	(37,802)
Loss on liquidation of subsidiaries and associates	-	6,843
Decrease (increase) in notes and accounts receivable - trade	(137,638)	(263,659)
Decrease (increase) in advances paid	(57,214)	(299,131)
Decrease (increase) in accounts receivable - other	(114,399)	(170,999)
Increase (decrease) in notes and accounts payable - trade	21,030	67,558
Increase (decrease) in accounts payable - other	(372,277)	289,783
Increase (decrease) in advances received	42,056	(45,153)
Other, net	611,657	(346,491)
Subtotal	7,860,625	8,912,991
Interest and dividend income received	11,927	12,522
Interest expenses paid	(148)	(0)
Income taxes paid	(2,107,824)	(2,027,881)
Income taxes refund	11,412	-
Net cash provided by (used in) operating activities	5,775,992	6,897,632
Cash flows from investing activities		
Payments into time deposits	(1,000,000)	(2,000,000)
Proceeds from withdrawal of time deposits	1,000,000	2,000,000
Purchase of investment securities	-	(36,000)
Purchase of property, plant and equipment	(428,909)	(451,602)
Purchase of software	(2,134,033)	(2,141,354)
Payments for lease and guarantee deposits	(176,264)	(101,454)
Proceeds from collection of lease and guarantee deposits	5,413	1,735
Other, net	2,518	4,126
Net cash provided by (used in) investing activities	(2,731,274)	(2,724,549)
Cash flows from financing activities		
Purchase of treasury shares	(1,000,279)	-
Cash dividends paid	(1,025,592)	(1,545,546)
Other, net	(42)	27,009
Net cash provided by (used in) financing activities	(2,025,915)	(1,518,536)
Effect of exchange rate change on cash and cash equivalents	24,402	(14,801)
Net increase (decrease) in cash and cash equivalents	1,043,204	2,639,745
Cash and cash equivalents at beginning of period	8,448,940	9,492,145
Cash and cash equivalents at end of period	9,492,145	12,131,890