

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2017
<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 to submit Quarterly Securities Report: August 1, 2016
 Scheduled date to commence dividend payments: —
 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 first quarter of the fiscal year ending March 31, 2017 (from April 1, 2016 to June 30, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2016	8,763	8.5	1,924	19.8	1,931	19.6	1,322	22.6
June 30, 2015	8,075	5.6	1,605	35.4	1,614	35.7	1,078	44.2

Note: Comprehensive income
 Three months ended June 30, 2016: ¥1,302 million [20.7%]
 Three months ended June 30, 2015: ¥1,079 million [45.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2016	27.83	27.73
June 30, 2015	22.28	22.19

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2016	20,931	15,485	73.8	330.84
March 31, 2016	27,322	20,296	74.2	418.22

Reference: Equity
 As of June 30, 2016: ¥15,455 million As of March 31, 2016: ¥20,266 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, 2016	—	15.00	—	23.00	38.00
Fiscal year ending March 31, 2017	—				
Fiscal year ending March 31, 2017 (Forecast)		20.00	—	20.00	40.00

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

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		Net income 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	(14.6)	39.90
Fiscal year ending March 31, 2017	37,000	6.9	6,700	4.2	6,700	3.2	4,550	4.2	96.98

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the three 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 June 30, 2016	48,675,100 shares
As of March 31, 2016	48,675,100 shares

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

As of June 30, 2016	1,958,359 shares
As of March 31, 2016	216,459 shares

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

Three months ended June 30, 2016	47,520,839 shares
Three months ended June 30, 2015	48,414,203 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, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	12,631,915	6,691,872
Notes and accounts receivable - trade	4,670,436	4,249,890
Securities	499,975	—
Accounts receivable - other	1,747,897	1,731,676
Other	1,625,509	1,663,002
Allowance for doubtful accounts	(286,563)	(295,583)
Total current assets	20,889,170	14,040,858
Non-current assets		
Property, plant and equipment	933,695	1,084,085
Intangible assets		
Software	2,759,487	2,988,775
Other	791,160	775,840
Total intangible assets	3,550,648	3,764,615
Investments and other assets	1,949,344	2,042,415
Total non-current assets	6,433,688	6,891,115
Total assets	27,322,858	20,931,974
Liabilities		
Current liabilities		
Notes and accounts payable - trade	288,248	178,841
Income taxes payable	1,457,610	668,306
Provision for bonuses	1,378,322	406,101
Provision for point card certificates	168,218	151,195
Accounts payable - other	2,264,118	2,223,465
Other	1,253,436	1,601,627
Total current liabilities	6,809,954	5,229,539
Non-current liabilities		
Asset retirement obligations	215,332	215,874
Other	1,100	1,100
Total non-current liabilities	216,432	216,974
Total liabilities	7,026,387	5,446,513
Net assets		
Shareholders' equity		
Capital stock	2,334,300	2,334,300
Capital surplus	2,884,780	2,884,780
Retained earnings	15,203,906	15,408,982
Treasury shares	(182,612)	(5,178,526)
Total shareholders' equity	20,240,374	15,449,537
Accumulated other comprehensive income		
Foreign currency translation adjustment	25,973	6,140
Total accumulated other comprehensive income	25,973	6,140
Subscription rights to shares	30,123	29,782
Total net assets	20,296,471	15,485,460
Total liabilities and net assets	27,322,858	20,931,974

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

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	8,075,321	8,763,852
Cost of sales	1,981,458	1,987,977
Gross profit	6,093,862	6,775,875
Selling, general and administrative expenses	4,487,918	4,851,321
Operating income	1,605,944	1,924,553
Non-operating income		
Interest income	2,764	1,175
Foreign exchange gains	—	1,636
Subsidy income	600	2,860
Promotional subsidy income	5,000	—
Other	594	820
Total non-operating income	8,958	6,492
Non-operating expenses		
Interest expenses	0	—
Foreign exchange losses	730	—
Total non-operating expenses	730	—
Ordinary income	1,614,172	1,931,046
Extraordinary income		
Gain on reversal of subscription rights to shares	56	56
Total extraordinary income	56	56
Net income before income taxes	1,614,229	1,931,103
Income taxes	535,700	608,814
Net income	1,078,528	1,322,289
Net income attributable to owners of parent	1,078,528	1,322,289

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	1,078,528	1,322,289
Other comprehensive income		
Foreign currency translation adjustment	797	(19,832)
Total other comprehensive income	797	(19,832)
Comprehensive income	1,079,326	1,302,456
Comprehensive income attributable to:		
Owners of parent	1,079,326	1,302,456
Non-controlling interests	—	—