

Consolidated Financial Results
for the Third 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
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Scheduled date to submit Quarterly Securities Report: February 3, 2017
 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 third quarter of the fiscal year ending March 31, 2017 (from April 1, 2016 to December 31, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2016	27,365	7.2	5,045	(6.2)	5,062	(6.4)	3,462	(3.6)
December 31, 2015	25,533	5.3	5,380	38.4	5,407	38.5	3,591	44.1

Note: Comprehensive income

Nine months ended December 31, 2016: ¥3,404 million [(4.9)%]

Nine months ended December 31, 2015: ¥3,580 million [44.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2016	73.68	73.44
December 31, 2015	74.16	73.88

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2016	22,215	16,668	74.9	356.00
March 31, 2016	27,322	20,296	74.2	418.22

Reference: Equity

As of December 31, 2016: ¥16,642 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	—	20.00	—		
Fiscal year ending March 31, 2017 (Forecast)				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
Fiscal year ending March 31, 2017	37,000	6.9	6,700	4.2	6,700	3.2	4,550	4.2	96.95

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

* Notes

- (1) Changes in significant subsidiaries during the nine 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 December 31, 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 December 31, 2016	1,925,759 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)

Nine months ended December 31, 2016	46,991,412 shares
Nine months ended December 31, 2015	48,424,566 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 December 31, 2016
Assets		
Current assets		
Cash and deposits	12,631,915	6,202,665
Notes and accounts receivable - trade	4,670,436	4,775,593
Securities	499,975	–
Accounts receivable - other	1,747,897	2,032,245
Other	1,625,509	1,652,865
Allowance for doubtful accounts	(286,563)	(314,418)
Total current assets	20,889,170	14,348,952
Non-current assets		
Property, plant and equipment	933,695	1,060,263
Intangible assets		
Software	2,759,487	3,458,450
Other	791,160	923,356
Total intangible assets	3,550,648	4,381,807
Investments and other assets	1,949,344	2,424,510
Total non-current assets	6,433,688	7,866,581
Total assets	27,322,858	22,215,533
Liabilities		
Current liabilities		
Notes and accounts payable - trade	288,248	197,979
Income taxes payable	1,457,610	542,943
Provision for bonuses	1,378,322	430,273
Provision for point card certificates	168,218	140,006
Accounts payable - other	2,264,118	2,461,685
Other	1,253,436	1,543,725
Total current liabilities	6,809,954	5,316,614
Non-current liabilities		
Asset retirement obligations	215,332	229,978
Other	1,100	900
Total non-current liabilities	216,432	230,878
Total liabilities	7,026,387	5,547,493
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	16,547,711
Treasury shares	(182,612)	(5,092,321)
Total shareholders' equity	20,240,374	16,674,470
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	453
Foreign currency translation adjustment	25,973	(32,037)
Total accumulated other comprehensive income	25,973	(31,583)
Subscription rights to shares	30,123	25,153
Total net assets	20,296,471	16,668,040
Total liabilities and net assets	27,322,858	22,215,533

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

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	25,533,581	27,365,932
Cost of sales	6,214,356	6,393,452
Gross profit	19,319,224	20,972,479
Selling, general and administrative expenses	13,938,836	15,927,201
Operating income	5,380,387	5,045,277
Non-operating income		
Interest income	9,806	4,447
Subsidy income	7,063	7,963
Other	10,938	8,050
Total non-operating income	27,808	20,461
Non-operating expenses		
Interest expenses	0	–
Foreign exchange losses	1,090	3,399
Other	25	–
Total non-operating expenses	1,115	3,399
Ordinary income	5,407,080	5,062,339
Extraordinary income		
Gain on reversal of subscription rights to shares	142	56
Total extraordinary income	142	56
Net income before income taxes	5,407,222	5,062,395
Income taxes	1,816,127	1,599,953
Net income	3,591,094	3,462,441
Net income attributable to owners of parent	3,591,094	3,462,441

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net income	3,591,094	3,462,441
Other comprehensive income		
Valuation difference on available-for-sale securities	–	453
Foreign currency translation adjustment	(10,096)	(58,011)
Total other comprehensive income	(10,096)	(57,557)
Comprehensive income	3,580,998	3,404,884
Comprehensive income attributable to:		
Owners of parent	3,580,998	3,404,884
Non-controlling interests	–	–