

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2018
<under Japanese GAAP>

Name of the Listed Company: **Gurunavi, Inc.**
 Listed Stock Exchanges: Tokyo Stock Exchange
 Stock Code: 2440
 URL: <https://corporate.gnavi.co.jp/>
 Representative: Seiichiro Kubo, President
 Contact: Hisao Iizuka, Director and Executive Vice President
 TEL: +81-3-3500-9700

Scheduled date to submit Quarterly Securities Report: August 1, 2017
 Scheduled date to commence dividend payments: —
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: None

(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, 2018 (from April 1, 2017 to June 30, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	8,791	0.3	1,399	(27.3)	1,405	(27.2)	955	(27.8)
June 30, 2016	8,763	8.5	1,924	19.8	1,931	19.6	1,322	22.6

Note: Comprehensive income
 Three months ended June 30, 2017: ¥954 million [(26.7%)]
 Three months ended June 30, 2016: ¥1,302 million [20.7%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2017	20.43	20.37
June 30, 2016	27.83	27.73

(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, 2017	23,688	17,973	75.8	383.85
March 31, 2017	23,917	18,038	75.3	385.31

Reference: Equity
 As of June 30, 2017: ¥17,951 million As of March 31, 2017: ¥18,013 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, 2017	—	20.00	—	22.00	42.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		22.00	—	22.00	44.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2017	18,100	2.1	2,870	(19.4)	2,870	(19.7)	1,960	(19.7)	41.92
Fiscal year ending March 31, 2018	38,200	3.3	6,900	2.4	6,900	1.3	4,700	(2.1)	100.53

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: None
 - 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, 2017	48,675,100 shares
As of March 31, 2017	48,675,100 shares

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

As of June 30, 2017	1,907,559 shares
As of March 31, 2017	1,924,559 shares

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

Three months ended June 30, 2017	46,761,154 shares
Three months ended June 30, 2016	47,520,839 shares

* Quarterly financial results reports are not required to be subjected to quarterly reviews.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

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, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	7,922,826	7,261,086
Notes and accounts receivable - trade	4,663,750	4,248,480
Accounts receivable - other	1,893,280	1,680,828
Other	1,456,202	1,596,730
Allowance for doubtful accounts	(274,421)	(274,344)
Total current assets	15,661,638	14,512,780
Non-current assets		
Property, plant and equipment	1,090,146	1,107,081
Intangible assets		
Software	3,847,876	4,573,613
Other	974,998	1,005,255
Total intangible assets	4,822,875	5,578,868
Investments and other assets	2,342,375	2,490,147
Total non-current assets	8,255,397	9,176,097
Total assets	23,917,035	23,688,878
Liabilities		
Current liabilities		
Notes and accounts payable - trade	256,963	175,238
Income taxes payable	714,651	504,011
Provision for bonuses	1,042,746	453,218
Provision for point card certificates	148,178	168,191
Accounts payable - other	2,241,297	2,467,749
Other	1,243,228	1,714,559
Total current liabilities	5,647,066	5,482,967
Non-current liabilities		
Asset retirement obligations	230,519	231,067
Other	900	900
Total non-current liabilities	231,419	231,967
Total liabilities	5,878,486	5,714,935
Net assets		
Shareholders' equity		
Capital stock	2,334,300	2,334,300
Capital surplus	2,884,780	2,884,780
Retained earnings	17,881,833	17,775,397
Treasury shares	(5,089,148)	(5,044,194)
Total shareholders' equity	18,011,766	17,950,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,734	12,636
Foreign currency translation adjustment	(2,933)	(11,326)
Total accumulated other comprehensive income	1,800	1,310
Subscription rights to shares	24,982	22,348
Total net assets	18,038,549	17,973,942
Total liabilities and net assets	23,917,035	23,688,878

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

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	8,763,852	8,791,258
Cost of sales	1,987,977	2,252,691
Gross profit	6,775,875	6,538,567
Selling, general and administrative expenses	4,851,321	5,138,863
Operating income	1,924,553	1,399,703
Non-operating income		
Interest income	1,175	1,139
Foreign exchange gains	1,636	—
Dividend income	—	1,582
Subsidy income	2,860	1,805
Other	820	1,498
Total non-operating income	6,492	6,026
Non-operating expenses		
Foreign exchange losses	—	664
Total non-operating expenses	—	664
Ordinary income	1,931,046	1,405,064
Extraordinary income		
Gain on reversal of subscription rights to shares	56	—
Total extraordinary income	56	—
Net income before income taxes	1,931,103	1,405,064
Income taxes	608,814	449,938
Net income	1,322,289	955,125
Net income attributable to owners of parent	1,322,289	955,125

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	1,322,289	955,125
Other comprehensive income		
Valuation difference on available-for-sale securities	—	7,902
Foreign currency translation adjustment	(19,832)	(8,392)
Total other comprehensive income	(19,832)	(490)
Comprehensive income	1,302,456	954,635
Comprehensive income attributable to:		
Owners of parent	1,302,456	954,635
Non-controlling interests	—	—