

February 2, 2018

Consolidated Financial Results
for the Third 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/en/>
 Representative: Seiichiro Kubo, President
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Scheduled date to submit Quarterly Securities Report: February 5, 2018
 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, 2018 (from April 1, 2017 to December 31, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2017	27,100	(1.0)	3,985	(21.0)	4,002	(20.9)	2,713	(21.6)
December 31, 2016	27,365	7.2	5,045	(6.2)	5,062	(6.4)	3,462	(3.6)

Note: Comprehensive income

Nine months ended December 31, 2017: ¥2,723 million [(20.0%)]

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

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2017	58.02	57.89
December 31, 2016	73.68	73.44

(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, 2017	24,277	18,719	77.0	399.72
March 31, 2017	23,917	18,038	75.3	385.31

Reference: Equity

As of December 31, 2017: ¥18,698 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	—	22.00	—		
Fiscal year ending March 31, 2018 (Forecast)				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
Fiscal year ending March 31, 2018	35,800	(3.2)	4,500	(33.2)	4,500	(34.0)	3,000	(37.5)
								64.14

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: 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 December 31, 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 December 31, 2017	1,896,759 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)

Nine months ended December 31, 2017	46,767,506 shares
Nine months ended December 31, 2016	46,991,412 shares

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

* 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, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	7,922,826	6,504,865
Notes and accounts receivable - trade	4,663,750	4,926,441
Accounts receivable - other	1,893,280	2,117,292
Other	1,456,202	1,414,680
Allowance for doubtful accounts	(274,421)	(309,672)
Total current assets	15,661,638	14,653,607
Non-current assets		
Property, plant and equipment	1,090,146	1,105,344
Intangible assets		
Software	3,847,876	4,769,813
Other	974,998	761,477
Total intangible assets	4,822,875	5,531,291
Investments and other assets	2,342,375	2,987,562
Total non-current assets	8,255,397	9,624,198
Total assets	23,917,035	24,277,805
Liabilities		
Current liabilities		
Notes and accounts payable - trade	256,963	154,118
Income taxes payable	714,651	491,308
Provision for bonuses	1,042,746	347,374
Provision for point card certificates	148,178	229,051
Accounts payable - other	2,241,297	2,585,213
Other	1,243,228	1,518,446
Total current liabilities	5,647,066	5,325,514
Non-current liabilities		
Asset retirement obligations	230,519	232,162
Other	900	900
Total non-current liabilities	231,419	233,062
Total liabilities	5,878,486	5,558,576
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	18,482,733
Treasury shares	(5,089,148)	(5,015,636)
Total shareholders' equity	18,011,766	18,686,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,734	10,245
Foreign currency translation adjustment	(2,933)	1,990
Total accumulated other comprehensive income	1,800	12,235
Subscription rights to shares	24,982	20,815
Total net assets	18,038,549	18,719,228
Total liabilities and net assets	23,917,035	24,277,805

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

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	27,365,932	27,100,115
Cost of sales	6,393,452	7,356,159
Gross profit	20,972,479	19,743,955
Selling, general and administrative expenses	15,927,201	15,758,288
Operating income	5,045,277	3,985,667
Non-operating income		
Interest income	4,447	3,877
Dividend income	—	3,164
Subsidy income	7,963	6,873
Other	8,050	9,693
Total non-operating income	20,461	23,608
Non-operating expenses		
Foreign exchange losses	3,399	7,197
Total non-operating expenses	3,399	7,197
Ordinary income	5,062,339	4,002,078
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	744
Gain on reversal of subscription rights to shares	56	—
Total extraordinary income	56	744
Net income before income taxes	5,062,395	4,002,823
Income taxes	1,599,953	1,289,272
Net income	3,462,441	2,713,551
Net income attributable to owners of parent	3,462,441	2,713,551

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net income	3,462,441	2,713,551
Other comprehensive income		
Valuation difference on available-for-sale securities	453	5,511
Foreign currency translation adjustment	(58,011)	4,924
Total other comprehensive income	(57,557)	10,435
Comprehensive income	3,404,884	2,723,986
Comprehensive income attributable to:		
Owners of parent	3,404,884	2,723,986
Non-controlling interests	—	—