

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2022
<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/>
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Scheduled date to submit Quarterly Securities Report: August 5, 2021
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, 2022 (from April 1, 2021 to June 30, 2021)

(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, 2021	3,034	70.2	(1,363)	—	(1,337)	—	(1,353)	—
June 30, 2020	1,783	(76.4)	(3,820)	—	(3,815)	—	(3,777)	—

Note: Comprehensive income
Three months ended June 30, 2021: ¥(1,336) million [—%]
Three months ended June 30, 2020: ¥(3,740) million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2021	(28.84)	—
June 30, 2020	(80.60)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2021	11,054	8,045	72.0	169.54
March 31, 2021	13,567	9,375	68.5	198.02

Reference: Equity
As of June 30, 2021: ¥7,954 million As of March 31, 2021: ¥9,290 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, 2021	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2022	–				
Fiscal year ending March 31, 2022 (Forecast)		0.00	–	0.00	0.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2021	6,200	6.5	(2,950)	–	(2,950)	–	(2,970)	–	(63.30)
Fiscal year ending March 31, 2022	–	–	–	–	–	–	–	–	–

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the three months under review: 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, 2021	48,675,100 shares
As of March 31, 2021	48,675,100 shares

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

As of June 30, 2021	1,757,262 shares
As of March 31, 2021	1,757,262 shares

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

Three months ended June 30, 2021	46,917,838 shares
Three months ended June 30, 2020	46,868,538 shares

* Quarterly financial results are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	7,507,254	5,587,700
Notes and accounts receivable - trade	2,741,754	2,226,920
Accounts receivable - other	1,154,849	793,476
Other	842,395	656,113
Allowance for doubtful accounts	(581,667)	(381,110)
Total current assets	11,664,585	8,883,099
Non-current assets		
Property, plant and equipment	-	37,619
Intangible assets	-	323,386
Investments and other assets	1,903,296	1,810,798
Total non-current assets	1,903,296	2,171,804
Total assets	13,567,882	11,054,903
Liabilities		
Current liabilities		
Notes and accounts payable - trade	143,539	72,873
Income taxes payable	57,599	8,660
Provision for bonuses	247,272	279,657
Provision for point card certificates	158,979	29,348
Accounts payable - other	1,482,069	1,164,249
Asset retirement obligations	111,738	-
Deposits received	1,675,578	979,350
Other	147,280	306,360
Total current liabilities	4,024,059	2,840,500
Non-current liabilities		
Asset retirement obligations	167,531	167,708
Other	900	900
Total non-current liabilities	168,431	168,608
Total liabilities	4,192,490	3,009,108
Net assets		
Shareholders' equity		
Share capital	2,334,300	2,334,300
Capital surplus	2,884,780	2,884,780
Retained earnings	8,745,156	7,391,930
Treasury shares	(4,646,756)	(4,646,756)
Total shareholders' equity	9,317,480	7,964,254
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,308)	(9,034)
Foreign currency translation adjustment	(20,477)	(721)
Total accumulated other comprehensive income	(26,786)	(9,755)
Share acquisition rights	84,698	91,296
Total net assets	9,375,392	8,045,795
Total liabilities and net assets	13,567,882	11,054,903

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

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	1,783,360	3,034,405
Cost of sales	1,738,267	1,239,710
Gross profit	45,093	1,794,694
Selling, general and administrative expenses	3,865,735	3,157,952
Operating loss	(3,820,641)	(1,363,258)
Non-operating income		
Gain on sales of supplies	-	16,936
Dividend income	3,026	5,814
Gain on forfeiture of unclaimed dividends	2,261	2,746
Other	3,639	6,088
Total non-operating income	8,927	31,586
Non-operating expenses		
Commitment fees	3,927	5,534
Total non-operating expenses	3,927	5,534
Ordinary loss	(3,815,642)	(1,337,205)
Extraordinary income		
Gain on sale of investment securities	92,500	-
Gain on sale of businesses	37,443	-
Total extraordinary income	129,943	-
Extraordinary losses		
Loss on valuation of investment securities	82,067	6,272
Total extraordinary losses	82,067	6,272
Net loss before income taxes	(3,767,766)	(1,343,477)
Income taxes	9,720	9,747
Net loss	(3,777,487)	(1,353,225)
Net loss attributable to owners of parent	(3,777,487)	(1,353,225)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net loss	(3,777,487)	(1,353,225)
Other comprehensive income		
Valuation difference on available-for-sale securities	54,941	(2,725)
Foreign currency translation adjustment	(17,611)	19,756
Total other comprehensive income	37,330	17,030
Comprehensive income	(3,740,156)	(1,336,195)
Comprehensive income attributable to:		
Owners of parent	(3,740,156)	(1,336,195)