

Consolidated Financial Results
for the Third 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/>
Representative: Akio Sugihara, President and Representative Director
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Scheduled date to submit Quarterly Securities Report: February 7, 2022
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, 2022 (from April 1, 2021 to December 31, 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	%
Nine months ended								
December 31, 2021	9,563	(20.6)	(3,483)	—	(3,564)	—	(3,606)	—
December 31, 2020	12,041	(48.6)	(6,235)	—	(6,217)	—	(6,486)	—

Note: Comprehensive income
Nine months ended December 31, 2021: ¥(3,428) million [—%]
Nine months ended December 31, 2020: ¥(6,391) million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	(73.14)	—
December 31, 2020	(138.30)	—

(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, 2021	14,388	11,250	77.5	171.55
March 31, 2021	13,567	9,375	68.5	198.02

Reference: Equity
As of December 31, 2021: ¥11,145 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	–	0.00	–		
Fiscal year ending March 31, 2022 (Forecast)				0.00	0.00

- Notes:
- Revisions to the cash dividend forecasts most recently announced: None
 - The above “Cash dividends” information includes only dividends on common shares. For information on dividends on class shares (unlisted) with different shareholders’ rights than for common shares of the Company, please see “Cash dividends on class shares” presented below.

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

As it is difficult to make assumptions about the business environment on which the consolidated earnings forecasts are based, the consolidated earnings forecasts for the full year for the fiscal year ending March 31, 2022 are not determined.

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

* Notes

- Changes in significant subsidiaries during the nine months under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- Application of special accounting for preparing quarterly consolidated financial statements: Yes
- Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement of prior period financial statements after error corrections: None

- Number of shares issued (common shares)

- Total number of shares issued at the end of the period (including treasury shares)

As of December 31, 2021	56,124,500 shares
As of March 31, 2021	48,675,100 shares

- Number of treasury shares at the end of the period

As of December 31, 2021	1,117,862 shares
As of March 31, 2021	1,757,262 shares

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

Nine months ended December 31, 2021	49,438,293 shares
Nine months ended December 31, 2020	46,898,835 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.

Cash dividends on class shares

The breakdown of per-share dividends on class shares with different shareholders' rights than for common shares is as follows.

Class A preferred shares	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	–	–	–	–	–
Fiscal year ending March 31, 2022	–	–	–		
Fiscal year ending March 31, 2022 (Forecast)				13.808	13.808

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	7,507,254	7,246,273
Notes and accounts receivable - trade	2,741,754	3,413,330
Accounts receivable - other	1,154,849	657,216
Other	842,395	804,070
Allowance for doubtful accounts	(581,667)	(546,909)
Total current assets	11,664,585	11,573,981
Non-current assets		
Property, plant and equipment	-	95,663
Intangible assets	-	793,552
Investments and other assets	1,903,296	1,925,007
Total non-current assets	1,903,296	2,814,223
Total assets	13,567,882	14,388,205
Liabilities		
Current liabilities		
Notes and accounts payable - trade	143,539	75,651
Income taxes payable	57,599	2,604
Provision for bonuses	247,272	286,389
Provision for point card certificates	158,979	30,372
Accounts payable - other	1,482,069	1,348,937
Asset retirement obligations	111,738	15,000
Deposits received	1,675,578	803,126
Other	147,280	340,069
Total current liabilities	4,024,059	2,902,152
Non-current liabilities		
Asset retirement obligations	167,531	168,062
Other	900	67,291
Total non-current liabilities	168,431	235,354
Total liabilities	4,192,490	3,137,507
Net assets		
Shareholders' equity		
Share capital	2,334,300	100,000
Capital surplus	2,884,780	8,711,915
Retained earnings	8,745,156	5,138,383
Treasury shares	(4,646,756)	(2,955,980)
Total shareholders' equity	9,317,480	10,994,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,308)	142,088
Foreign currency translation adjustment	(20,477)	9,177
Total accumulated other comprehensive income	(26,786)	151,265
Share acquisition rights	84,698	105,113
Total net assets	9,375,392	11,250,698
Total liabilities and net assets	13,567,882	14,388,205

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

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	12,041,910	9,563,595
Cost of sales	5,788,324	4,050,337
Gross profit	6,253,585	5,513,257
Selling, general and administrative expenses	12,488,987	8,997,065
Operating loss	(6,235,402)	(3,483,808)
Non-operating income		
Gain on sales of supplies	19,344	27,552
Other	18,284	27,021
Total non-operating income	37,629	54,574
Non-operating expenses		
Commitment fees	14,774	48,539
Foreign exchange losses	4,961	1,846
Commission expenses	-	85,000
Other	-	95
Total non-operating expenses	19,736	135,482
Ordinary loss	(6,217,509)	(3,564,716)
Extraordinary income		
Gain on sale of investment securities	358,068	21,477
Gain on sale of businesses	37,443	-
Total extraordinary income	395,512	21,477
Extraordinary losses		
Loss on valuation of investment securities	117,322	54,057
Total extraordinary losses	117,322	54,057
Net loss before income taxes	(5,939,319)	(3,597,296)
Income taxes	546,792	9,476
Net loss	(6,486,112)	(3,606,772)
Net loss attributable to owners of parent	(6,486,112)	(3,606,772)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net loss	(6,486,112)	(3,606,772)
Other comprehensive income		
Valuation difference on available-for-sale securities	96,831	148,397
Foreign currency translation adjustment	(2,229)	29,654
Total other comprehensive income	94,602	178,052
Comprehensive income	(6,391,510)	(3,428,720)
Comprehensive income attributable to:		
Owners of parent	(6,391,510)	(3,428,720)