



# INVESTOR PRESENTATION

Financial Results for the First Quarter of the Fiscal Year 2022

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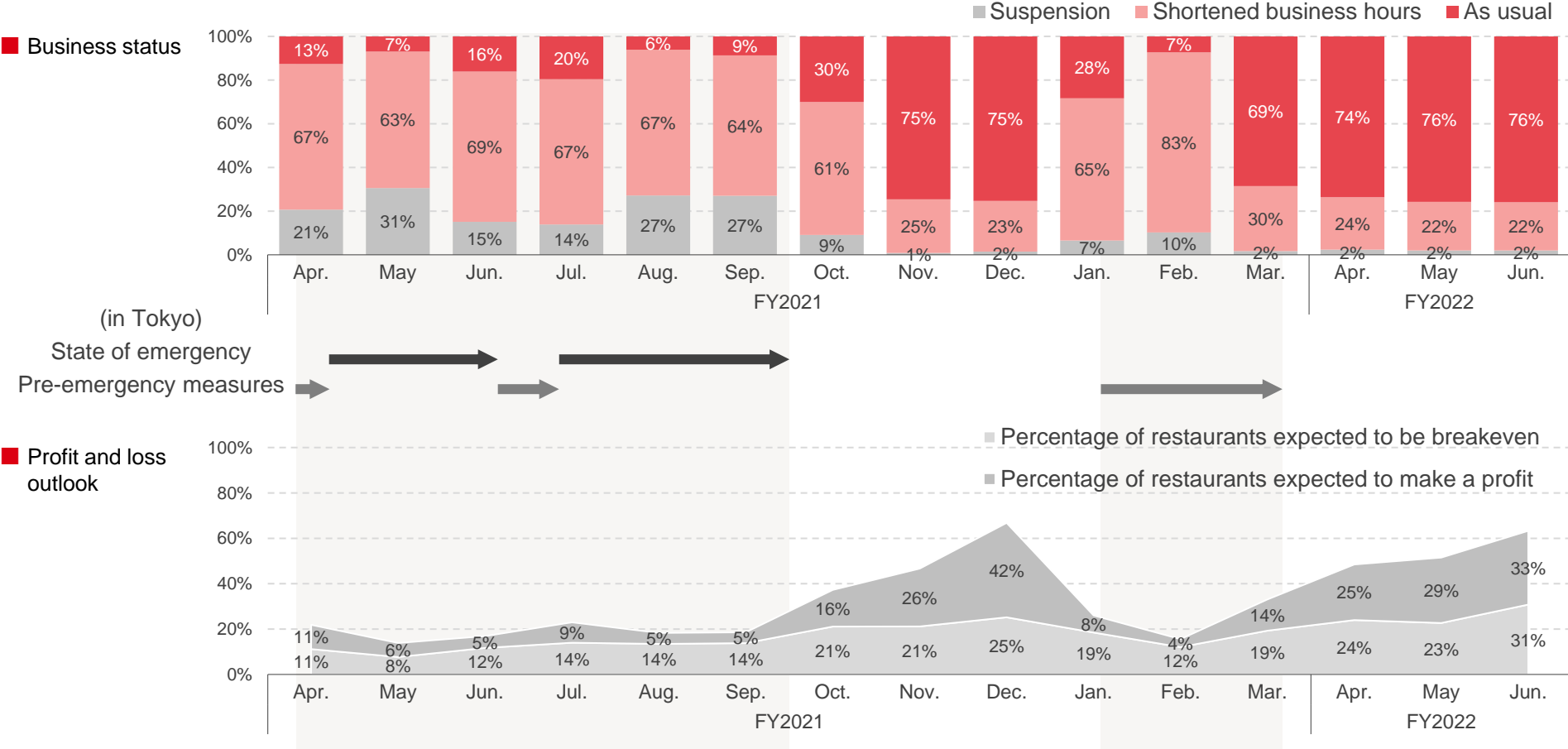
**Gurunavi, Inc.** (Stock Code : 2440)

**Food:** Satisfying People  
and Creating Connections



# Preface – Status of restaurants –

✓ Restaurant business is improving with gradual increase in the number of restaurants resuming normal operations since March 2022



Based on web survey for member restaurants

## Good start to return to profitability in Q4

### Q1 Results

- ✓ Steady sales of restaurant promotion services and promotion sales generated ahead of schedule
- ✓ In addition, losses were much smaller than expected due to thorough cost control and other factors

### Business Environment

- ✓ The number of online reservations in Q1 exceeds the pre-pandemic level.
- ✓ Upward trend in the average number of people per booking and signs of recovery in corporate and party demand
- ✓ However, there are concerns about a temporary slump in demand for dining out due to the 7<sup>th</sup> wave of COVID-19

## Revision of 1H and full-year forecasts (see p.12 for details)

### Sales

- ✓ Maintained previous forecast in view of the fluid business environment

### Income

- ✓ Revised upwards as expenses are expected to be lower than planned

# Financial Highlights

	Q1 FY2021 (Apr.-June)	Q1 FY2022 (Apr.-June)
<b>Net sales</b>	JPY 3,034 million	JPY <b>2,953</b> million
<b>Operating loss</b>	JPY (1,363) million	JPY <b>(1,027)</b> million
<b>Net loss attributable to owners of parent</b>	JPY (1,353) million	JPY <b>(844)</b> million
<b>Number of total paying member restaurants</b> (At the end of June 2022) Including members of delivery and take-out services only	54,342	<b>55,699</b>
<b>Number of Rakuten ID connected members</b> (At the end of June 2022)	4.69 million	<b>5.89</b> million

# Consolidated income statement

(JPY million)	Q1 FY2021 (Apr.-June)	Ratio to sales	Q1 FY2022 (Apr.-June)	Ratio to sales	YoY Change
<b>Net sales</b>	3,034	100.0%	<b>2,953</b>	100.0%	(2.7)%
<b>Cost of sales</b>	1,239	40.9%	<b>1,316</b>	44.6%	6.2%
<b>Gross profit</b>	1,794	59.1%	<b>1,636</b>	55.4%	(8.8)%
<b>SG&amp;A expenses</b>	3,157	104.1%	<b>2,664</b>	90.2%	(15.6)%
<b>Operating loss</b>	(1,363)	-	<b>(1,027)</b>	-	-
<b>Ordinary loss</b>	(1,337)	-	<b>(1,006)</b>	-	-
<b>Net loss before income taxes</b>	(1,343)	-	<b>(834)</b>	-	-
<b>Net loss attributable to owners of parent</b>	(1,353)	-	<b>(844)</b>	-	-

# Consolidated sales breakdown

(JPY million)	Q1 FY2021 (Apr.-June)	Q1 FY2022 (Apr.-June)	YoY
<b>Net sales</b>	3,034	<b>2,953</b>	(2.7)%
Restaurant promotion services	2,581	<b>2,267</b>	(12.1)%
Cumulative retained services	2,320	<b>1,891</b>	(18.5)%
Spot services	260	<b>376</b>	44.4%
Promotions	218	<b>225</b>	3.6%
Related businesses	235	<b>459</b>	95.4%

## Cumulative retained services

✓ Decreased YoY due to lower base sales at the beginning of the period driven by impact of declaration of state of emergency and priority measures to prevent the spread of COVID-19 which were implemented intermittently in the previous period

✓ Improved external environment leading to recovery after bottoming out in April

## Spot services

✓ Recorded sales for delivery and takeout businesses that began operations in July 2021 (terminated in July 2022 in light of competitive environment, profitability, etc.)

✓ Increase in spot sales of sales promotion products, etc.

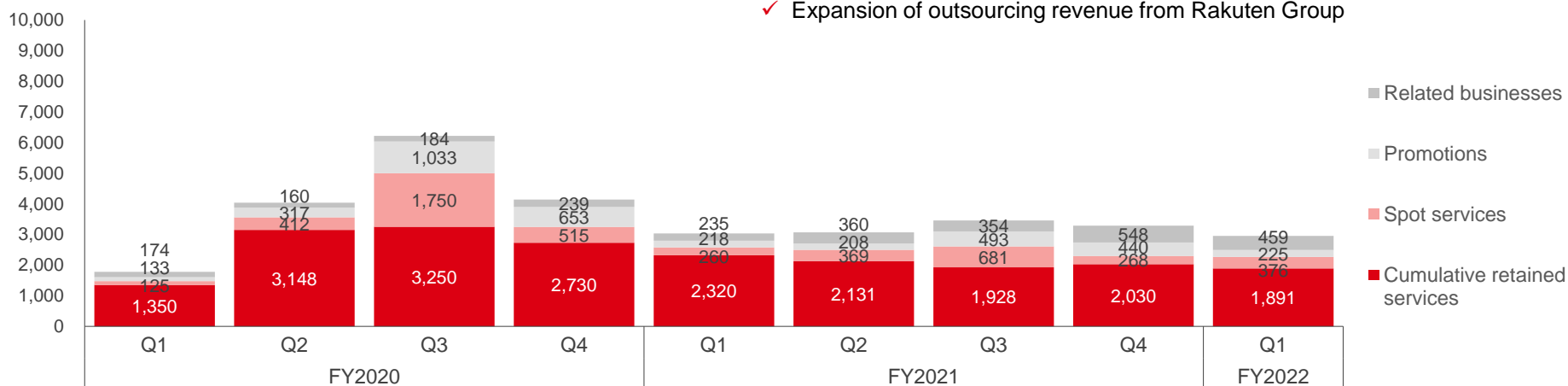
✓ Decrease in online reservation commission sales due to the impact of commission revision under the new membership plan launched in September 2021

## Related businesses

✓ Recorded earnings from commercial facilities in restaurant development business, one of our new businesses

✓ Expansion of outsourcing revenue from Rakuten Group

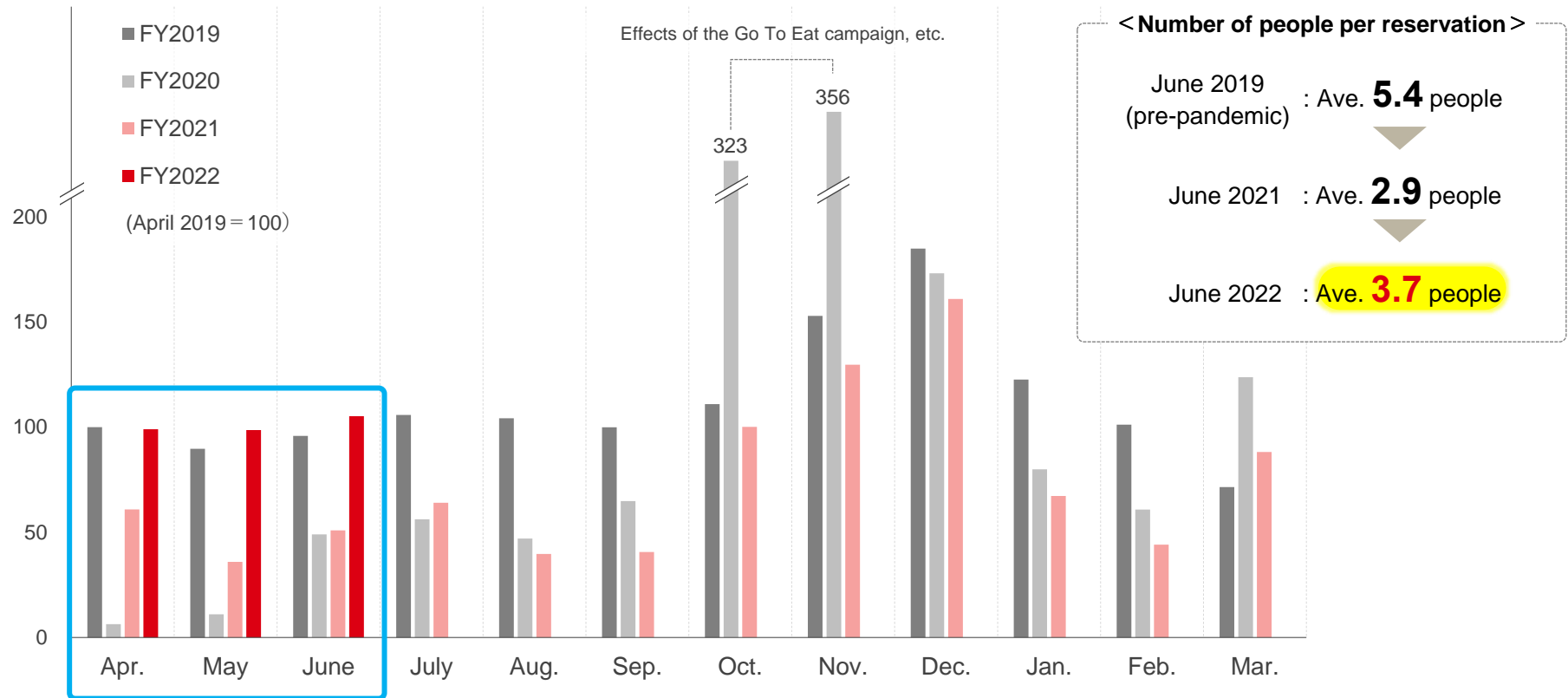
(JPY million)



“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) have been applied from the beginning of the fiscal year 2021. There is no change in presentation to the figures for previous years.

# Number of monthly online reservations

- ✓ The number of online reservations exceeds the pre-pandemic level.
- ✓ Although the number of people per reservation is still small, there is an upward trend.

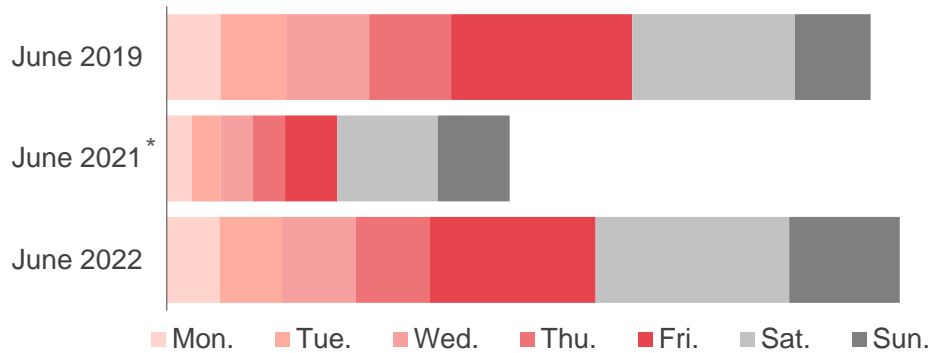


# Changes in restaurant clientele

- ✓ Friday and dinner reservations generally at pre-COVID-19 pandemic levels
- ✓ Signs of recovery in corporate and party demand with the lifting of restrictions on activities and guidance

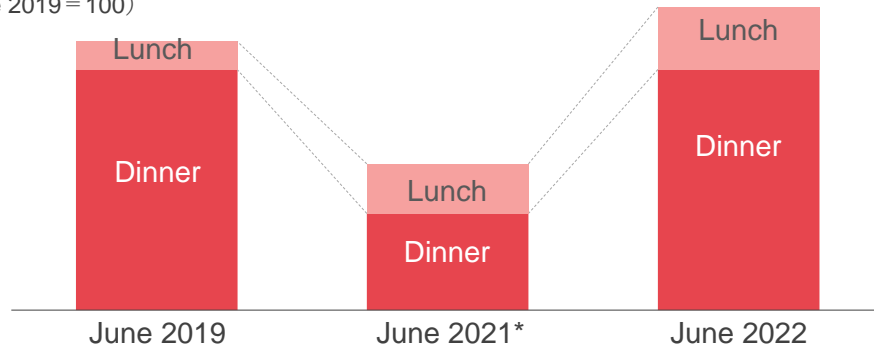
## Breakdown of reservations by day of week (based on date of visit)

(June 2019 = 100)

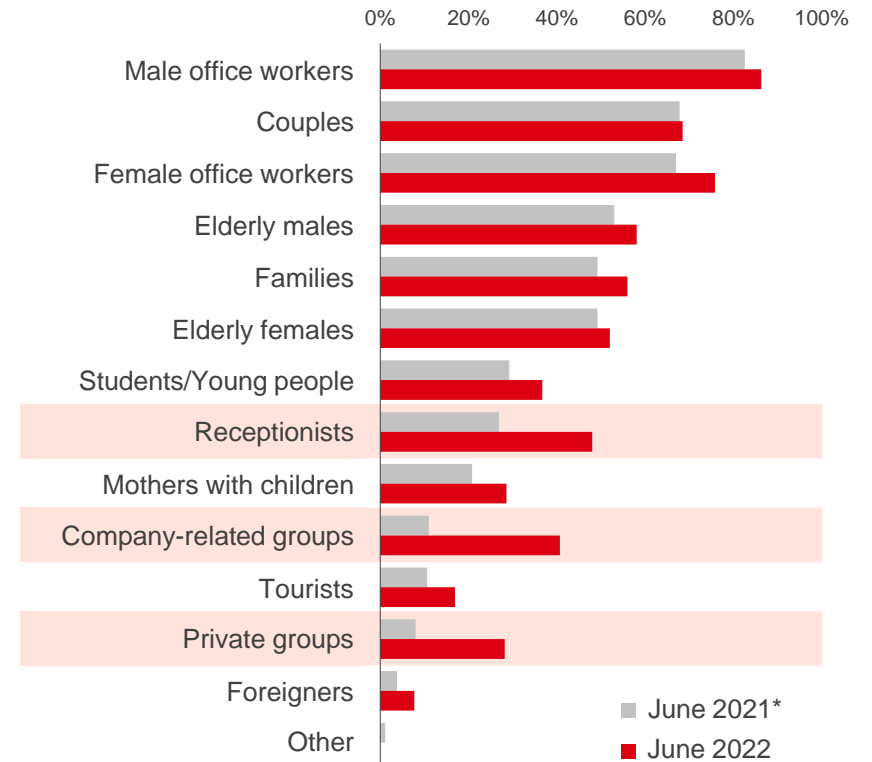


## Breakdown of lunch and dinner reservations (based on date of reservation)

(June 2019 = 100)



## Percentage of restaurants accepted customer types below



\* Period of state of emergency declaration/implementation of priority measures to prevent the spread of COVID-19, etc.

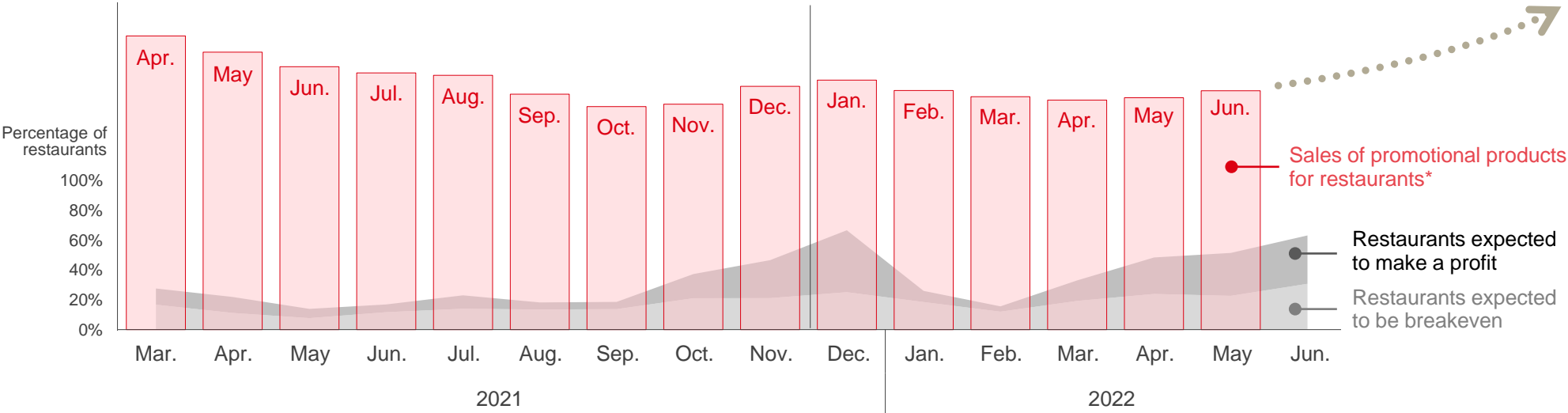
Based on web survey for member restaurants



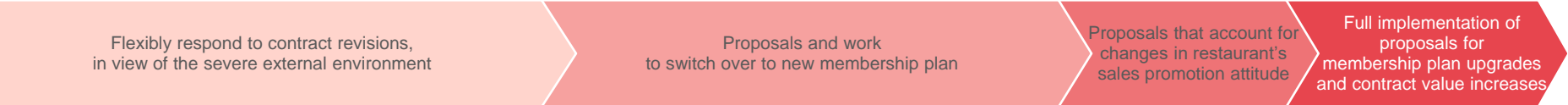
# Monthly change in sales of promotional products for restaurants

- ✓ Although concerns over the impact of a 7<sup>th</sup> wave of COVID-19 infections on the dining out market, restaurant profits have generally improved compared to the previous year
- ✓ Full implementation of proposals for membership plan upgrades and contract value increases supporting recovery of restaurant business and our sales at the same time

\*One-month time lag between changes in the restaurant business conditions and our sales of promotional products



Horizontal axis = Restaurant profit/loss forecast



\* Excluding online reservation commission sales and delivery/takeout service sales

# Consolidated cost breakdown

(JPY million)	Q1 FY2021 (Apr.-June)	Q1 FY2022 (Apr.-June)	YoY
<b>Total cost</b>	4,397	<b>3,980</b>	(9.5)%
<b>Cost of sales</b>	1,239	<b>1,316</b>	6.2%
<b>SG&amp;A</b>	3,157	<b>2,664</b>	(15.6)%
Personnel expenses	1,948	<b>1,708</b>	(12.3)%
Rent expenses	346	<b>328</b>	(5.2)%
Business consignment expenses	347	<b>251</b>	(27.5)%
Advertising and promotion expenses	188	<b>66</b>	(64.6)%
Other	327	<b>308</b>	(5.8)%

## ✓ Personnel expenses

Decreased mainly due to decrease in number of employees with a natural attrition and restrictive new employment due to severe business performance caused by the pandemic

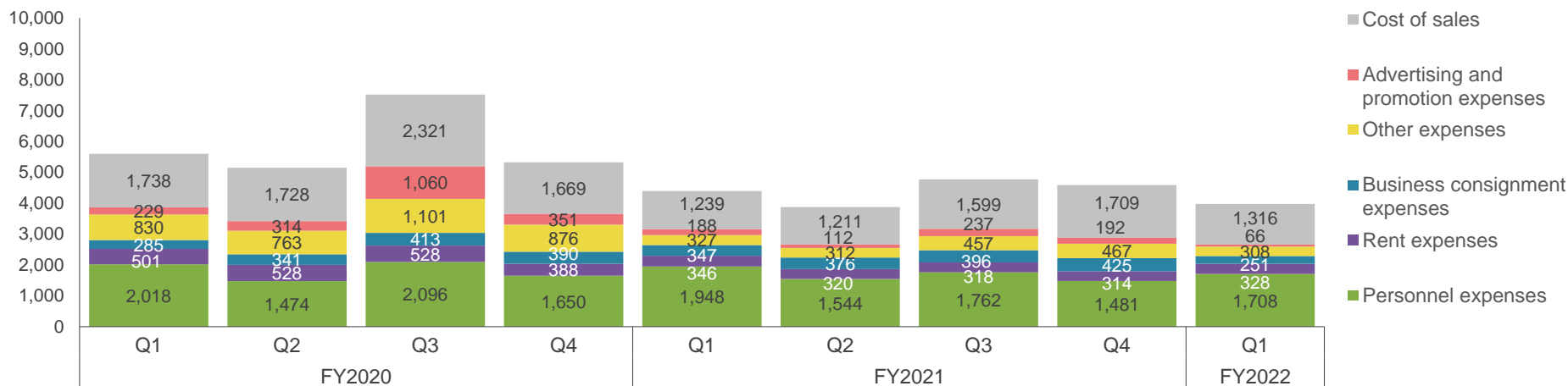
## ✓ Business consignment expenses

Decreased YoY due to focus on key services

## ✓ Advertising and promotion expenses

Reduced advertising costs related to the promotion of online reservations through marketing that utilizes online reservation coupons  
In addition, sales promotion expenses were reduced by focusing on key services

(JPY million)



# Consolidated balance sheets

## ✓ Planned financing of 2.2 billion yen from subordinated capital loan (August)

(JPY million)	As of Mar. 31, 2022	As of June 30, 2022	Change	(JPY million)	As of Mar. 31, 2022	As of June 30, 2022	Change
Total current assets	10,691	<b>10,143</b>	(548)	Total current liabilities	3,134	<b>3,571</b>	437
Cash and deposits *	6,962	<b>6,764</b>	(198)	Accounts payable- other	1,302	<b>1,007</b>	(295)
Notes and accounts receivable-trade	2,661	<b>2,283</b>	(378)	Deposits received *	1,040	<b>1,850</b>	810
Accounts receivable- other	740	<b>643</b>	(96)	Income taxes payable	34	<b>6</b>	(27)
Prepaid expenses	379	<b>439</b>	59	Provision for bonuses	239	<b>262</b>	23
Allowance for doubtful accounts	(139)	<b>(79)</b>	60	Provision for point card certificates	19	<b>13</b>	(5)
Other	87	<b>92</b>	4	Other	498	<b>431</b>	(67)
Total non-current assets	1,415	<b>1,645</b>	229	Total non-current liabilities	121	<b>182</b>	61
Property, plant and equipment	-	<b>310</b>	310	Total liabilities	3,255	<b>3,754</b>	498
Intangible assets	-	<b>125</b>	125	Total net assets	8,851	<b>8,033</b>	(817)
Investments and other assets	1,415	<b>1,209</b>	(206)	Equity	8,767	<b>7,951</b>	(816)
Total assets	12,107	<b>11,788</b>	(319)	Total liabilities and net assets	12,107	<b>11,788</b>	(319)

Total amount of commitment line contract as of June 30, 2022 JPY 4 billion  
(Outstanding borrowing balance — )

\* Recorded for cash and deposits and deposits received related to the operation of the contracted business from the Ministry of Agriculture, Forestry and Fisheries (Go To Eat campaign) (At the end of March 2022 : 873 million yen each, At the end of June 2022 : 1,689 million yen each)

# Business forecast

## ■ First half and full-year business forecast revised upward (announced on August 3, 2022)

- ✓ Although sales remained relatively strong in the first quarter, maintaining previous sales forecast as the impact of the 7th wave of COVID infections on the dining out market is still unclear
- ✓ However, profit/loss revised upward as expenses are expected to be lower than planned due to cost reductions in the first quarter
- ✓ Return to profitability in the fourth quarter and generate profits from next fiscal year

(JPY million)	Previous forecast			Revised forecast					
	1st half	2nd half	Full-year	1st half	Change	2nd half	Change	Full-year	Change
Net sales	5,300	7,500	12,800	<b>5,300</b>	–	<b>7,500</b>	–	<b>12,800</b>	–
Operating loss	(3,200)	(50)	(3,250)	<b>(2,500)</b>	+700	<b>(50)</b>	–	<b>(2,550)</b>	+700
Ordinary loss	(3,200)	(50)	(3,250)	<b>(2,500)</b>	+700	<b>(50)</b>	–	<b>(2,550)</b>	+700
Net loss attributable to owners of parent	(3,230)	(70)	(3,300)	<b>(2,330)</b>	+900	<b>(70)</b>	–	<b>(2,400)</b>	+900

**Aim to further improve business performance  
by supporting the business recovery of restaurants through membership plan  
upgrades/contract value increases**

# Strengthen and expand the cooperative structure

Concluded Business Alliance Agreement with TENPOS HOLDINGS Co., Ltd.  
(Dated May 25, 2022)



# Strengthen and expand the cooperative structure

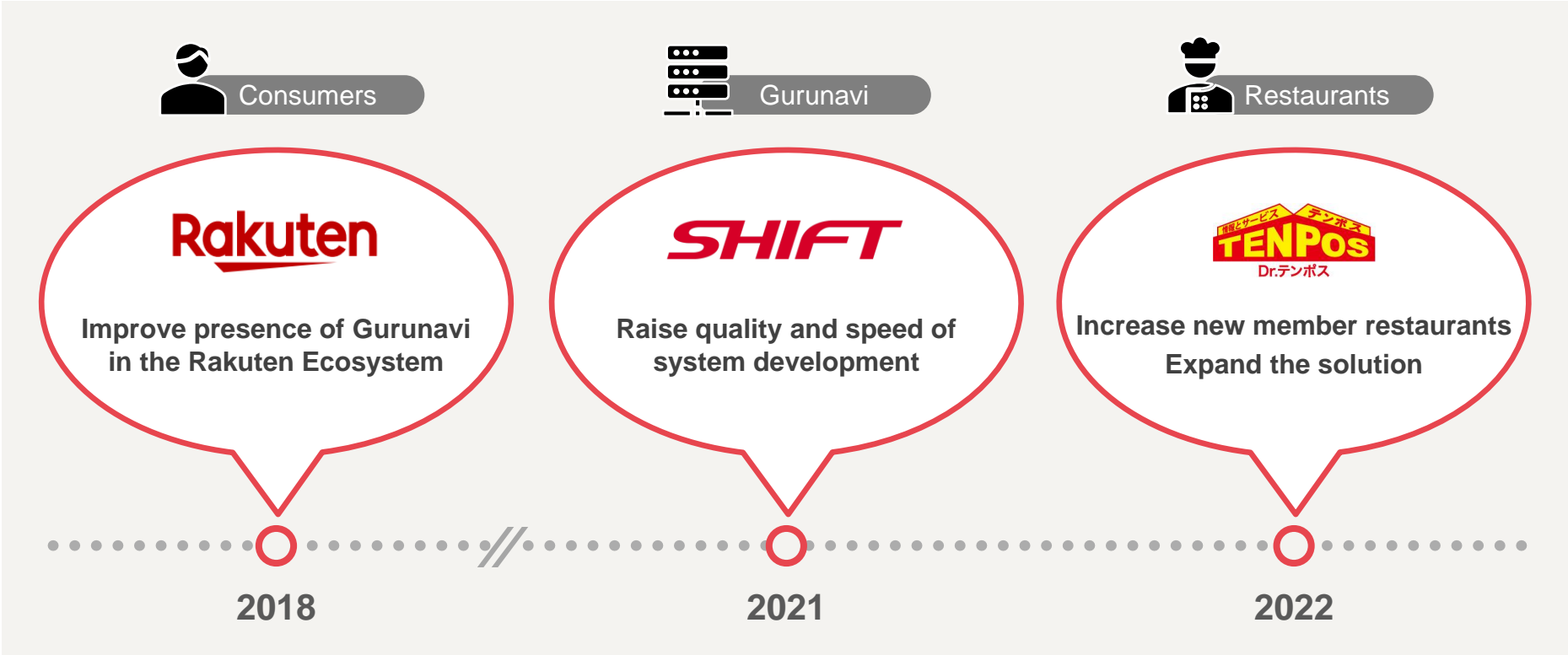
## 6 mid- to long-term outcomes

<b>1</b> <b>Increase number of new members</b>  New member proposals and Gurunavi product promotion for visitors to Tenpos Busters	<b>2</b> <b>Improve ability to resolve challenges</b>  Increase solutions through wide range of services offered at Tenpos stores	<b>3</b> <b>Accelerate new businesses</b>  Promote new services through POS cash registers, mobile orders, etc.
<b>4</b> <b>Human resource development</b>  Build external networks, acquire new knowledge and expertise through human resource exchanges such as secondments	<b>5</b> <b>Development of joint products</b>  Increase value provided to restaurants by combining the strengths of both companies	<b>6</b> <b>Business development utilizing subsidiaries</b>  <b>Gurunavi Promotion Community</b> Outsource services such as onsite check visits by visiting staff to Tenpos members  <b>Gurunavi Support Associe</b> Strengthen efforts related to employment of persons with disabilities by both companies

Secondments to Tenpos Holdings started in May  
New member proposals for visitors to Tenpos Busters started from July

# Strengthen and expand the cooperative structure

Improve platform-building capabilities that support the dining out industry and the power of connection between consumers and restaurants



# New initiatives

Contribute to the further development of Japanese food culture, while working to generate new revenue by trialing various services

**June 14** Start of “Furusato Nozei dining voucher services”

## Part 1: Start activities in Wakayama City

Promote our unique plans for thank you gifts that utilize network of restaurants and local governments

### Main characteristics

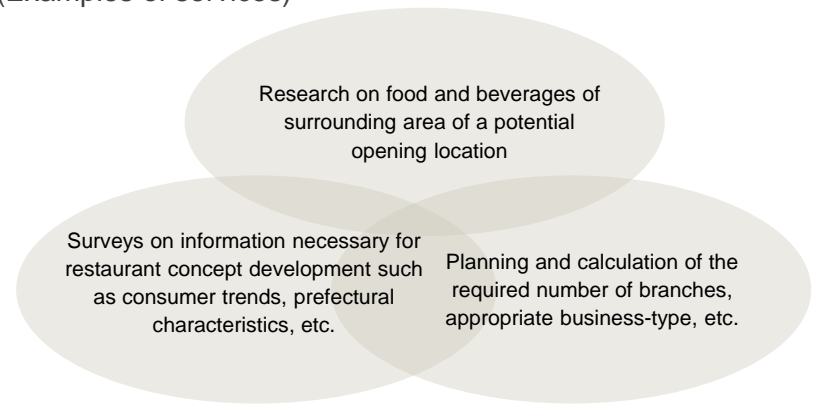
- 1 Collaborate with local governments that aim to promote regional development through food
- 2 The thank you gifts are multi-course meals at restaurants that use local produce
- 3 Develop gastronomic-style food experiences give participants experiences like the gathering of ingredients with their food



**June 27** Start of “feasibility/study services”

## Research, verification and planning services for the opening or renewal of restaurants and commercial facilities

(Examples of services)



**Strong support for communities through food**



# Released a page on Sustainability Initiatives on June 8th.

For "food," "people," and "society" to continue to prosper

<https://corporate.gnavi.co.jp/en/profile/sustainability/>



## < Spirit >

Protecting and nurturing Japanese food culture

## < Purpose >

Food: Satisfying People and Creating Connections

## < Mid term vision >

Evolve into management support company for restaurants

## Reference materials

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# New membership plan \*launched in September 2021

- ✓ Set up a new plan with a lighter monthly fixed cost burden compared to the previous plan
  - ✓ For restaurants that do not require sales promotion support, such as thriving restaurants, online reservation functions and business support products are provided independently
- Increase the number of member restaurants and the possibility to reallocate resources to new businesses through the expansion of target restaurants, reduction of churn rate and associated improvement in operational efficiency

## ■ Sales promotional plan (that requires published restaurant page)

	Basic Plan	Light Plan	Start Plan
Basic membership fee	30,000 yen / month	10,000 yen / month	0 yen / month
Assigned sales contact	○	×	×
Online reservation commission	Different fee options available Lunch: 10-40 yen / person; Dinner: 50-200 yen / person		Fixed fee Lunch: 40 yen / person; Dinner: 200 yen / person
Gurunavi Ledger (App version)	○	○	×
Use of coupons	○	○	×
Enhanced exposure (publication on special pages and advertising spaces)	○	×	×

+

Purchase of optional services available (exposure enhancement, outsourced services, in-store digitalization, management support, etc.)

- Non-member sales promotional plan (no restaurant page) include the purchase options of in-store digitalization / management support / outsourced services, etc.

# Number of member restaurants (Including members of delivery and take-out services only)

**FY2022 Q1**

**Number of total paying member restaurants**

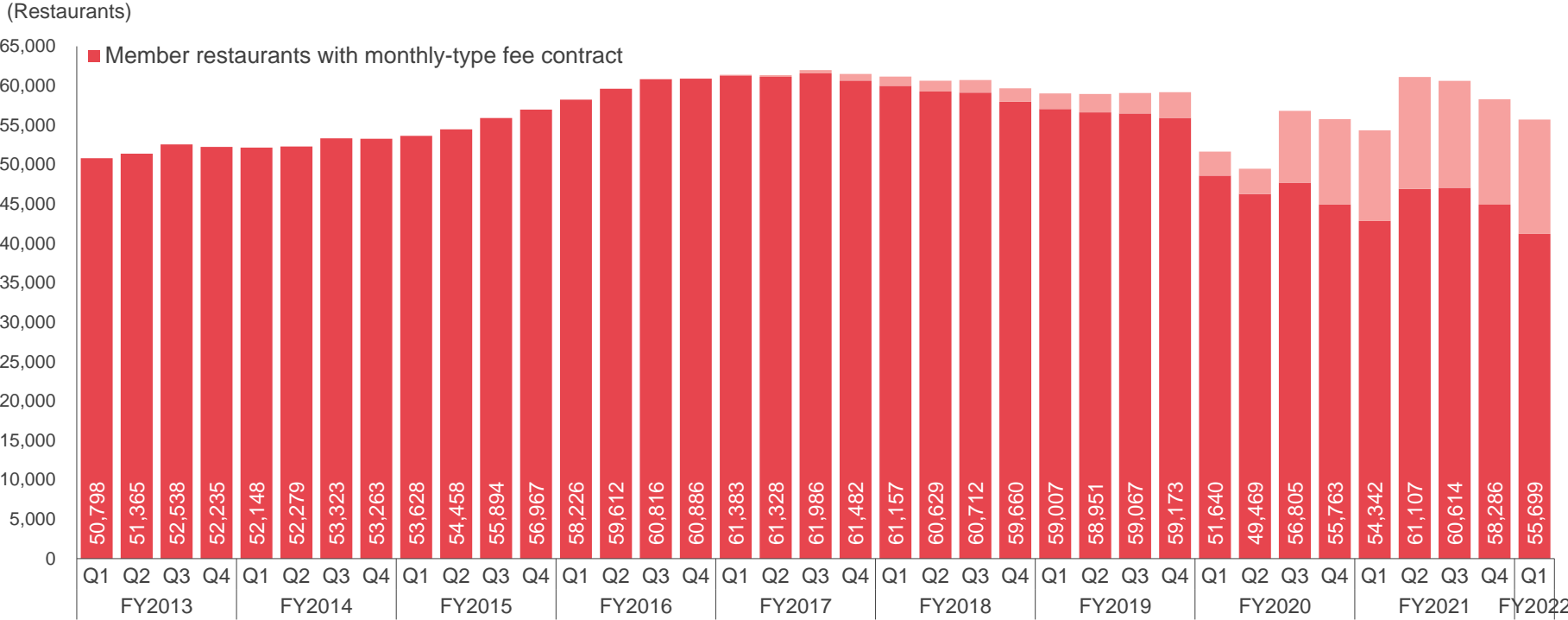
**55,699**

at the end of June 2022  
up by 1,357 from the end of June 2021

**Member restaurants with monthly-type fee contract**

**41,195**

at the end of June 2022  
down by 1,635 from the end of June 2021



\*The numbers in the graph are the number of total paying member restaurants

# User reach

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■ Number of Rakuten ID connected members : **5.89 million**

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(At the end of June 2022; 4.69 million at the end of June 2021)

■ Number of Gurunavi members : **22.71 million**

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(As of July 1, 2022; 21.34 million members as of July 1, 2021)

■ Unique user per month : **41.00 million**

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(In Dec. 2021; 44.00 million users in Dec. 2020)

\*Unique users per month: Based on browser count

\*Gurunavi member: An individual who has registered for membership at Gurunavi

# Quarterly sales data (consolidated)

Net sales (Unit: JPY million)		FY2019				FY2020				FY2021				FY2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Cumulative retained services	a	6,014	5,978	6,093	5,823	1,350	3,148	3,250	2,730	2,320	2,131	1,928	2,030	1,891
Spot services	b	967	1,021	1,511	995	125	412	1,750	515	260	369	681	268	376
Restaurant promotion services	c= a+b	6,982	6,999	7,605	6,819	1,475	3,561	5,000	3,245	2,581	2,501	2,610	2,299	2,267
Promotions	d	118	179	200	293	133	317	1,033	653	218	208	493	440	225
Core businesses total	e= c+d	7,100	7,178	7,805	7,113	1,608	3,879	6,033	3,899	2,799	2,709	3,104	2,739	2,493
Related businesses	f	451	433	461	382	174	160	184	239	235	360	354	548	459
Total	g= e+f	7,551	7,611	8,267	7,495	1,783	4,040	6,217	4,139	3,034	3,070	3,458	3,288	2,953

(Unit: JPY)		FY2019				FY2020				FY2021				FY2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Restaurant promotion services revenue per restaurant(ARPU)	h *1	39,227	39,557	42,961	38,449	8,878	23,486	31,367	19,224	15,628	14,442	14,298	12,892	13,263
Cumulative retained services revenue per restaurant(ARPU)	i *2	34,872	35,071	35,924	34,547	8,617	22,136	23,064	19,657	17,631	15,838	13,687	14,724	14,646

\*1) Sum of sales of cumulative retained services and those of spot services divided by the average of number of total paying member restaurants at previous and current quarter-end  $h=2/3*c/(j+i)$

\*2) Sales of cumulative retained services divided by the average of number of member restaurants with monthly-type fee contract at previous and current quarter-end  $i=2/3*a/(k+1)$

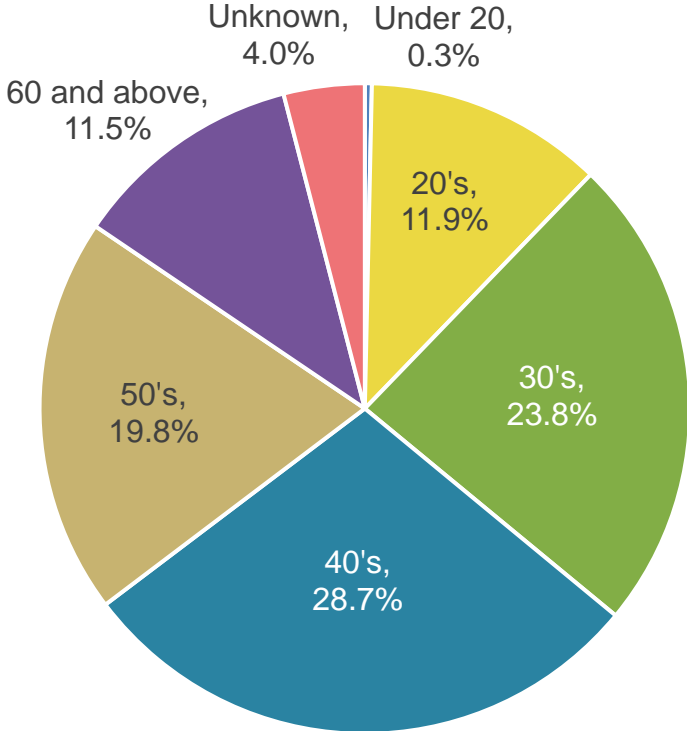
The deviation from figures disclosed before the first quarter of fiscal year 2021 is due to a recalculation based on the number of member restaurants with monthly-type fee contract defined in Note 3)

Number of member restaurants (Unit: restaurants)		FY2019				FY2020				FY2021				FY2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total paying member restaurants	j	59,007	58,951	59,067	59,173	51,640	49,469	56,805	55,763	54,342	61,107	60,614	58,286	55,699
Member restaurants with monthly-type fee contract	k *3	57,027	56,612	56,469	55,910	48,580	46,256	47,694	44,917	42,830	46,904	47,050	44,906	41,195

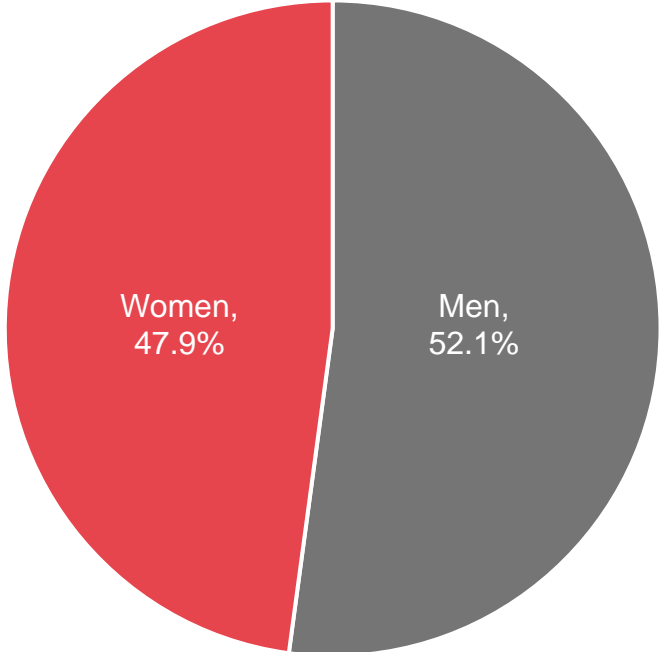
\*3) Restaurants using the fixed monthly fee service (regardless of whether they have a paid listing contract on the Gurunavi site)

# User overview

Users by age group



User composition by gender



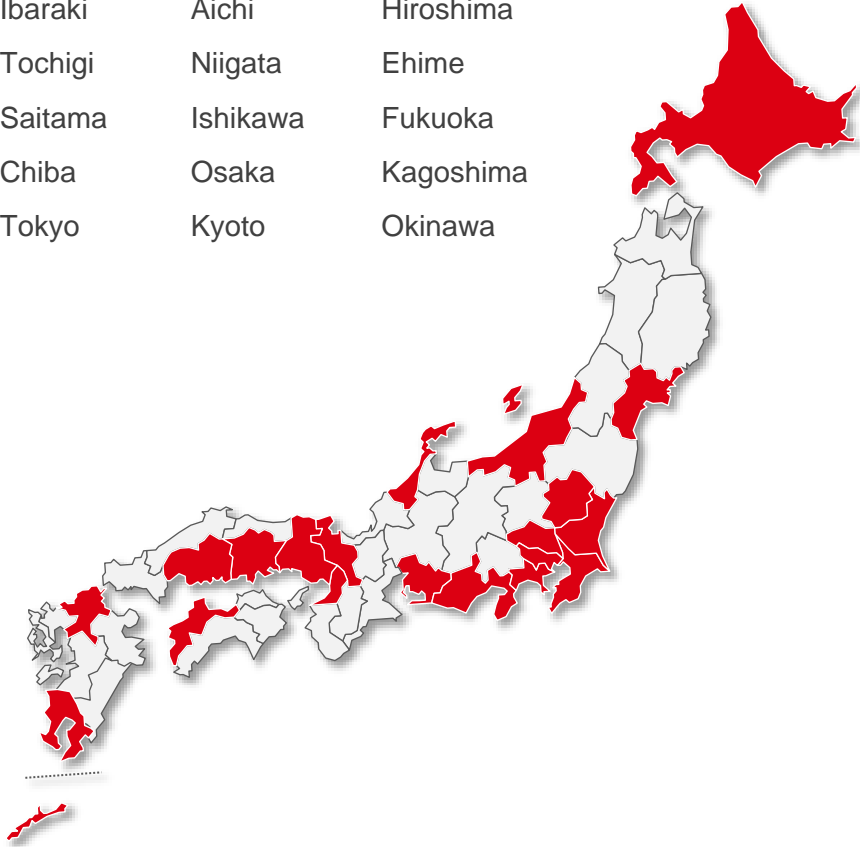
Source: Gurunavi member data (In June 2022)



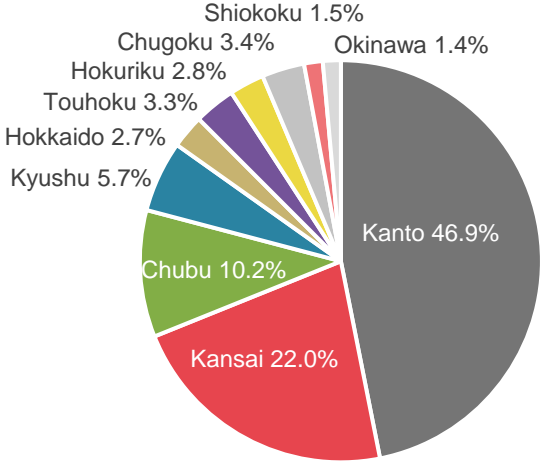
# Regional expansion and member restaurants

Area with our sales staff (21 prefectures)

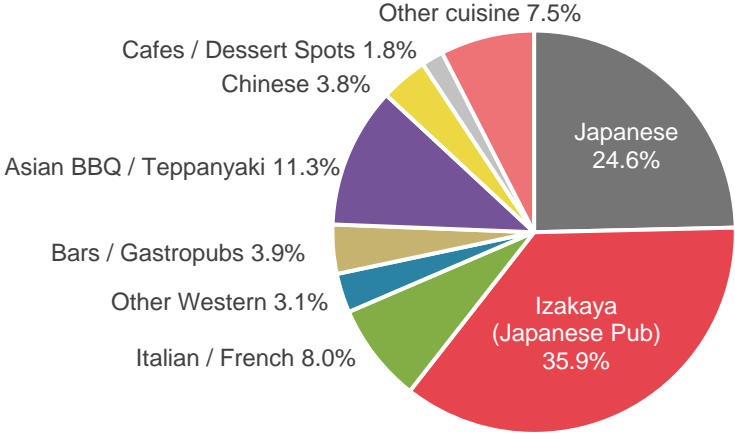
- |          |          |           |
|----------|----------|-----------|
| Hokkaido | Kanagawa | Hyogo     |
| Miyagi   | Shizuoka | Okayama   |
| Ibaraki  | Aichi    | Hiroshima |
| Tochigi  | Niigata  | Ehime     |
| Saitama  | Ishikawa | Fukuoka   |
| Chiba    | Osaka    | Kagoshima |
| Tokyo    | Kyoto    | Okinawa   |



Percentage of member restaurants (paid) by region



Percentage of member restaurants (paid) by restaurant type

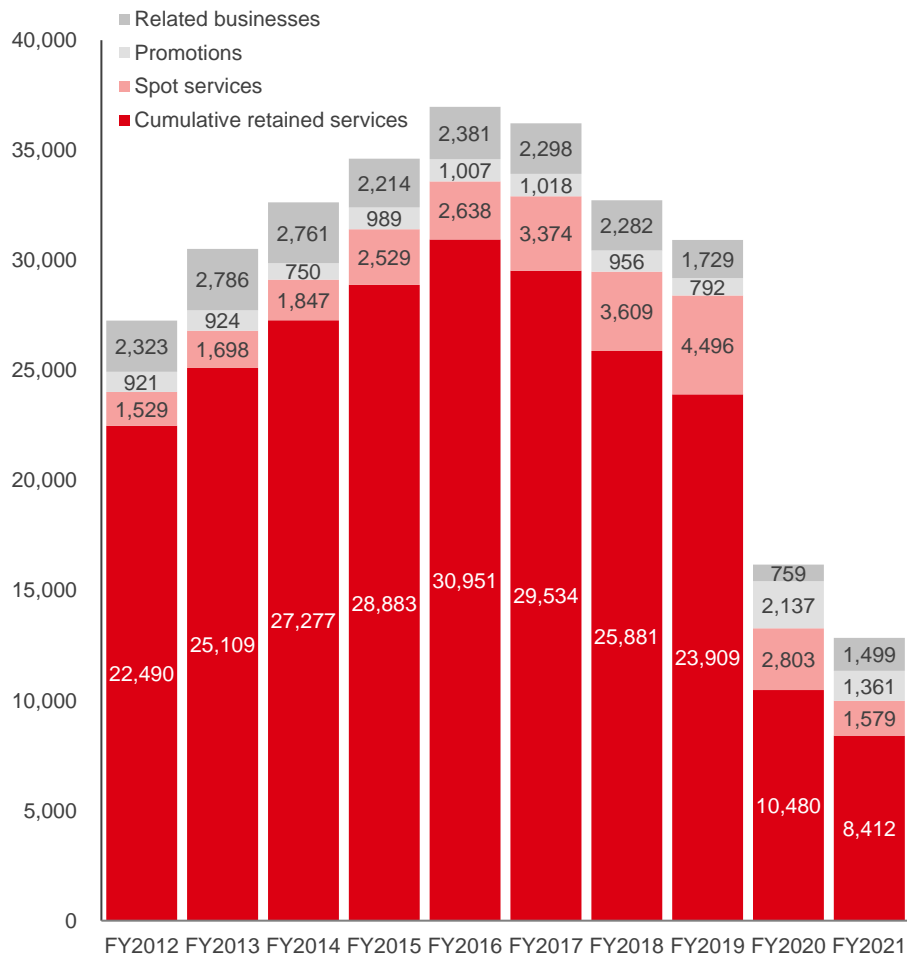


\* In June 2022

# Sales and costs & expenses

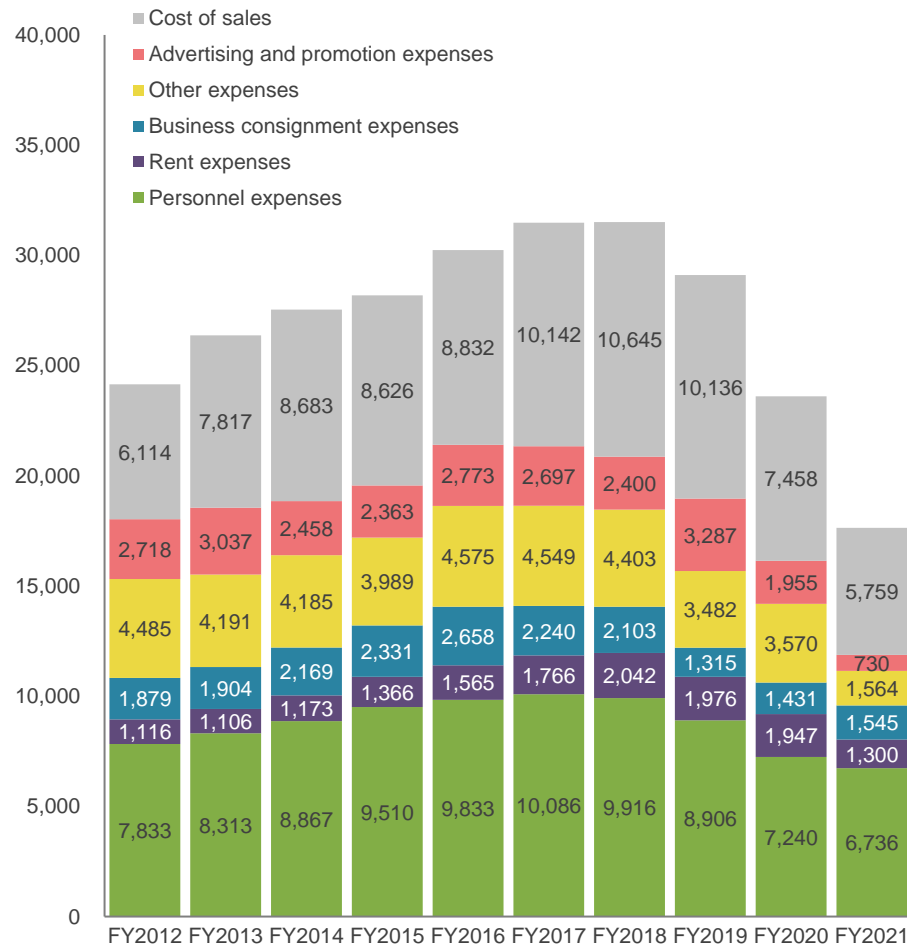
## Sales

(Million yen)



## Costs & Expenses

(Million yen)



# Historical data (consolidated)

(Unit: JPY million)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Consolidated business results										
Net sales	27,265	30,518	32,636	34,617	36,979	36,226	32,728	30,927	16,181	12,852
Operating income (loss) *1	3,116	4,147	5,099	6,429	6,740	4,742	1,216	1,821	(7,423)	(4,786)
Ordinary income (loss)	3,153	4,167	5,127	6,492	6,813	4,809	1,289	1,894	(7,269)	(4,692)
Net income (loss)	1,959	2,420	3,279	4,367	4,799	3,192	581	949	(9,704)	(5,768)
Assets • Liabilities • Net assets										
Total assets	19,103	22,071	23,665	27,322	23,917	25,457	23,797	23,979	13,567	12,107
Cash and deposits	7,399	9,448	10,492	13,131	7,922	8,000	7,630	11,653	7,507	6,962
Liabilities	5,005	5,926	6,201	7,026	5,878	6,270	5,093	4,709	4,192	3,255
Net assets	14,098	16,145	17,464	20,296	18,038	19,186	18,704	19,270	9,375	8,851
Equity	14,042	16,099	17,427	20,266	18,013	19,166	18,662	19,211	9,290	8,767
Per share data										
Earnings per (loss) share(JPY) *2	40.15	49.56	67.26	90.19	102.25	68.27	12.42	20.26	(206.90)	(114.46)
Dividends per share(JPY) *2	10	15	28	38	42	44	8	8	-	-
Other										
Operating margin(%)	11.4	13.6	15.6	18.6	18.2	13.1	3.7	5.9	-	-
Return on equity(%)	14.7	16.1	19.6	23.2	25.1	17.2	3.1	5.0	-	-
Return on assets(%)	10.9	11.8	14.3	17.1	18.7	12.9	2.4	4.0	-	-
Payout ratio(%)	24.9	30.3	41.6	42.1	41.1	64.5	64.4	39.5	-	-
Shareholders' equity ratio(%)	73.5	72.9	73.6	74.2	75.3	75.3	78.4	80.1	68.5	72.4
Number of shares of treasury stock	1,585,400	1,503,649	266,059	216,459	1,924,559	1,892,159	1,839,162	1,806,562	1,757,262	1,128,462
Total paying member restaurants	50,310	52,235	53,263	56,967	60,886	61,482	59,660	59,173	55,763	58,286

\*1: The credit commitment fee payable to financial institutions, previously included in the "payment fee" under selling, general and administrative expenses, is separated to the "commitment fee" under non-operating expenses from the fiscal year 2020.

There is no change in presentation to the figures for previous years.

\*2: Gurunavi implemented a 2-to-1 split on April 1, 2014. Calculated on the assumption that these share split were conducted at the beginning of the fiscal year 2012 (April 1, 2012).

# Business Environment

## ■ Number of restaurants

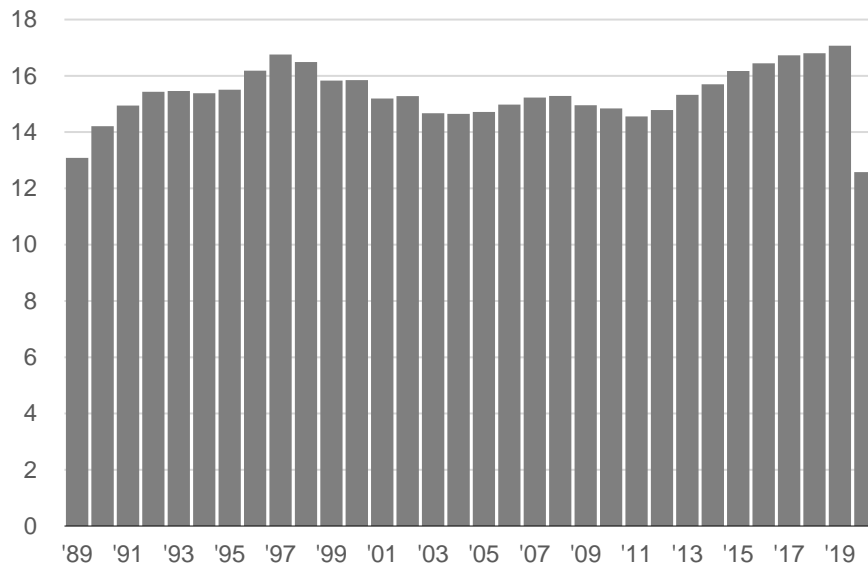
**490 thousand outlets in 2016 (peaked at 650 thousand outlets in 1986)**

\*Sources: 1986 Business Census; 2016 Economic Census for Business Activity

\*Institutional meals, bars, and night clubs are excluded.

## ■ Market size of the Japanese restaurant industry

(Trillion yen)



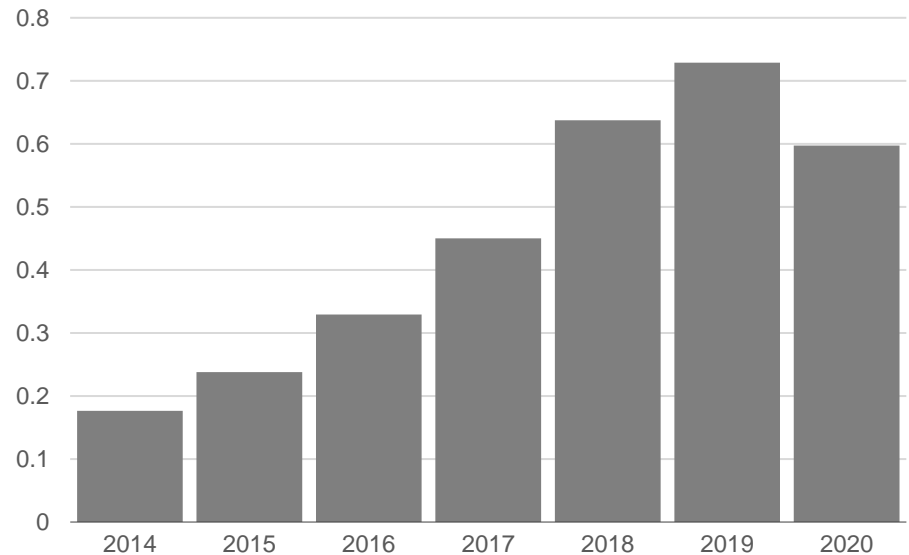
\*Source: Food Industry Research Institute; Size of restaurant market

\*Institutional meals, bars, and night clubs are excluded.

12.6 trillion yen in 2020, 26% decrease year on year

## ■ Market size of online reservation in restaurant

(Trillion yen)



\*The Ministry of Economy, FY2020 E-Commerce Market Survey

18% decrease year on year in 2020

# Company profile as of the end of June 2022

Name	Gurunavi, Inc. (stock code: 2440)
Establishment	October 2, 1989 (incorporated)      February 29, 2000 (Gurunavi, Inc. established)
Head office	1-1-2 Yurakucho, Chiyoda-ku, Tokyo
Capital	100 million yen
Number of shares issued	Common shares: 56,124,500    Class A preferred shares: 3,400,000
Business description	Web-based information provision relating to restaurants etc. using the platform of PC and smartphones etc. Provision of support service associated with the management of restaurants etc. and other related business
Directors	Chairman and Director : Hisao Taki President and Representative Director : Akio Sugihara Outside Directors : Koichi Tsukihara (Independent Director), Hidehiko Sato (Independent Director), Hirohisa Fujiwara (Independent Director), Kazunori Takeda, Yui Ono
Top 10 shareholders (as of March 31, 2022)	Rakuten Group, Inc. 16.9%, Hisao Taki 12.9%, The Master Trust Bank of Japan, Ltd. (Trust account) 6.7%, SHIFT Inc. 4.1%, Japan Traffic Culture Association 3.4%, Akio Sugihara 2.3%, Odakyu Electric Railway Co., Ltd. 2.1%, Tokyo Metro Co., Ltd. 1.8%, Hiroko Taki 1.5%, The Master Trust Bank of Japan, Ltd. (Retirement benefit trust TOKYU CORPORATION account) 1.3%  *The ratio of shareholding is calculated based on the total number of shares issued after deduction of treasury stock (1,128,462 shares).
Number of total personnel	Non-consolidated : 1,320    Consolidated : 1,542
Consolidated subsidiaries	Gurunavi Promotion Community, Inc. (100%), Gurunavi (Shanghai), Inc. (100%) Gurunavi Research Institute, Inc. (100%), Gurunavi Support Associe, Inc. (100%), G dining Inc. (100%)



Company information

<https://corporate.gnavi.co.jp/en/>

Gurunavi IR contact information

<https://ssl.gnavi.co.jp/company/english/contact/>

Disclaimer

This document is not intended for offering investments in the securities issued by the Company. The document has been prepared based on data available at the end of June 2022. The views and forecasts included in the document reflect judgments of the Company when the document was prepared.

The Company will not guarantee or ensure the accuracy and completeness of the information, which may be changed without prior notice.