

**Consolidated Financial Results**  
**for the Second Quarter of the Fiscal Year Ending March 31, 2023**  
**<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: November 4, 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 second quarter of the fiscal year ending March 31, 2023 (from April 1, 2022 to September 30, 2022)**

**(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	%
Six months ended								
September 30, 2022	5,865	(3.9)	(1,609)	—	(1,565)	—	(1,405)	—
September 30, 2021	6,105	4.8	(2,170)	—	(2,176)	—	(2,240)	—

Note: Comprehensive income  
Six months ended September 30, 2022: ¥(1,354) million [ —%]  
Six months ended September 30, 2021: ¥(2,214) million [ —%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2022	(26.96)	—
September 30, 2021	(47.75)	—

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2022	13,502	7,491	54.9	102.49
March 31, 2022	12,107	8,851	72.4	127.66

Reference: Equity  
As of September 30, 2022: ¥7,413 million As of March 31, 2022: ¥8,767 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, 2022	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2023	–	0.00			
Fiscal year ending March 31, 2023 (Forecast)			–	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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	12,800	(0.4)	(2,550)	–	(2,550)	–	(2,400)	–	(46.42)

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

### \* Notes

- (1) Changes in significant subsidiaries during the six 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 September 30, 2022	56,124,500 shares
As of March 31, 2022	56,124,500 shares

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

As of September 30, 2022	1,128,462 shares
As of March 31, 2022	1,128,462 shares

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

Six months ended September 30, 2022	54,996,038 shares
Six months ended September 30, 2021	46,917,838 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, 2022	–	–	–	13.808	13.808
Fiscal year ending March 31, 2023	–	–			
Fiscal year ending March 31, 2023 (Forecast)			–	45.000	45.000

## Quarterly consolidated financial statements

### (1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,962,974	8,809,124
Notes and accounts receivable - trade	2,661,470	1,995,463
Accounts receivable - other	740,092	762,954
Other	467,176	426,143
Allowance for doubtful accounts	(139,740)	(65,465)
Total current assets	10,691,973	11,928,219
Non-current assets		
Property, plant and equipment	-	306,915
Intangible assets	-	222,574
Investments and other assets	1,415,841	1,044,682
Total non-current assets	1,415,841	1,574,172
Total assets	12,107,815	13,502,391
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	99,579	66,914
Income taxes payable	34,151	12,604
Provision for bonuses	239,077	471,574
Provision for point card certificates	19,849	14,420
Accounts payable - other	1,302,249	930,025
Deposits received	1,040,262	1,738,718
Other	399,144	393,818
Total current liabilities	3,134,315	3,628,077
Non-current liabilities		
Long-term borrowings	-	2,200,000
Asset retirement obligations	119,444	156,271
Other	2,195	26,205
Total non-current liabilities	121,640	2,382,477
Total liabilities	3,255,955	6,010,554
<b>Net assets</b>		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	8,745,596	8,745,596
Retained earnings	2,929,632	1,523,827
Treasury shares	(2,996,438)	(2,996,438)
Total shareholders' equity	8,778,790	7,372,985
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(33,675)	(28,297)
Foreign currency translation adjustment	22,718	68,635
Total accumulated other comprehensive income	(10,957)	40,338
Share acquisition rights	84,026	78,513
Total net assets	8,851,859	7,491,837
Total liabilities and net assets	12,107,815	13,502,391

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

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	6,105,077	5,865,068
Cost of sales	2,450,866	2,493,923
Gross profit	3,654,211	3,371,145
Selling, general and administrative expenses	5,824,908	4,980,908
Operating loss	(2,170,696)	(1,609,763)
Non-operating income		
Gain on sales of supplies	21,606	17,119
Dividend income	5,814	12,214
Penalty income	-	11,000
Other	15,469	12,202
Total non-operating income	42,890	52,536
Non-operating expenses		
Commitment fees	48,539	5,010
Interest expenses	-	2,452
Other	583	858
Total non-operating expenses	49,122	8,322
Ordinary loss	(2,176,929)	(1,565,548)
Extraordinary income		
Gain on reversal of asset retirement obligations	-	48,241
Gain on sale of investment securities	-	290,290
Gain on reversal of share acquisition rights	-	6,239
Total extraordinary income	-	344,770
Extraordinary losses		
Loss on cancellation of rental contracts	-	150,829
Loss on valuation of investment securities	54,057	18,572
Total extraordinary losses	54,057	169,401
Net loss before income taxes	(2,230,986)	(1,390,180)
Income taxes	9,121	15,624
Net loss	(2,240,108)	(1,405,805)
Net loss attributable to owners of parent	(2,240,108)	(1,405,805)

## Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net loss	(2,240,108)	(1,405,805)
Other comprehensive income		
Valuation difference on available-for-sale securities	(318)	5,378
Foreign currency translation adjustment	26,340	45,917
Total other comprehensive income	26,022	51,295
Comprehensive income	(2,214,086)	(1,354,509)
Comprehensive income attributable to:		
Owners of parent	(2,214,086)	(1,354,509)

**(3) Consolidated statement of cash flows**

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Net loss before income taxes	(2,230,986)	(1,390,180)
Depreciation and amortization	34,318	103,685
Amortization of goodwill	649	-
Gain on reversal of asset retirement obligations	-	(48,241)
Loss on cancellation of rental contracts	-	150,829
Increase (decrease) in allowance for doubtful accounts	(234,129)	(74,274)
Interest expenses	-	2,452
Increase (decrease) in provision for bonuses	(2,226)	232,497
Increase (decrease) in provision for point card certificates	(128,416)	(5,429)
Loss (gain) on sale of investment securities	-	(290,290)
Loss (gain) on valuation of investment securities	54,057	18,572
Decrease (increase) in trade receivables	383,113	666,925
Decrease (increase) in inventories	69,107	(55)
Increase (decrease) in trade payables	(87,974)	(32,665)
Increase (decrease) in contract liabilities	139,658	(22)
Decrease (increase) in advances paid	2,895	24,083
Increase (decrease) in advances received	(15,772)	52,631
Decrease (increase) in prepaid expenses	(22,358)	6,804
Decrease (increase) in accounts receivable - other	544,088	(24,716)
Increase (decrease) in accounts payable - other	(378,159)	(270,732)
Increase (decrease) in deposits received	(690,990)	698,456
Increase (decrease) in accrued consumption taxes	77,535	(58,727)
Other, net	140,209	(57,802)
Subtotal	(2,345,380)	(296,198)
Interest and dividends received	8,293	14,248
Interest paid	-	(3,658)
Income taxes paid	(36,267)	(15,767)
Net cash provided by (used in) operating activities	(2,373,354)	(301,375)
<b>Cash flows from investing activities</b>		
Payments for acquisition of businesses	(13,000)	-
Purchase of investment securities	-	(20,000)
Proceeds from sale of investment securities	-	320,320
Purchase of property, plant and equipment	(125,380)	(270,469)
Payments for asset retirement obligations	(131,638)	(38,997)
Purchase of software	(622,212)	(233,710)
Payments of leasehold and guarantee deposits	(6,608)	(1,439)
Proceeds from refund of leasehold and guarantee deposits	104,637	200,403
Net cash provided by (used in) investing activities	(794,201)	(43,894)
<b>Cash flows from financing activities</b>		
Proceeds from deposit for subscriptions to shares	500,147	-
Proceeds from long-term borrowings	-	2,200,000
Dividends paid	(131)	(46,965)
Repayments of lease liabilities	-	(1,945)
Net cash provided by (used in) financing activities	500,015	2,151,088

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Effect of exchange rate change on cash and cash equivalents	26,890	40,330
Net increase (decrease) in cash and cash equivalents	(2,640,650)	1,846,149
Cash and cash equivalents at beginning of period	7,507,254	6,962,974
Cash and cash equivalents at end of period	4,866,604	8,809,124