

For immediate release



Name of Listed Company:	Gurunavi, Inc.
Listed Stock Exchanges:	Tokyo Stock Exchange
Stock Code:	2440
Representative:	Akio Sugihara, President

Notice regarding the Recording of Extraordinary Loss (Impairment Loss) and Differences between Full-Year Financial Forecast and Results for the Fiscal Year ending March 31, 2023

May 11, 2023 – Gurunavi, Inc. (the “Company”) announces the Company recorded the extraordinary loss (impairment loss) in the fiscal year ended March 31, 2023, and also announces the differences between full-year financial forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023), announced on August 3, 2022 and the financial results announced today.

1. Extraordinary loss (impairment loss)

(1) Detail of extraordinary loss (impairment loss)

As a result of examining the recoverability of its tangible, intangible and other fixed assets in accordance with the "Accounting Standard for Impairment of Fixed Assets" taking into consideration future earnings prospects in light of the impact of COVID-19 on the Company's business performance for the past 3 years and the impact of its upfront investments on the Company's business performance for the fiscal year ending March 31, 2024, the Company reduced the book value of the assets by the entire amount and recorded an impairment loss of 690 million yen.

(2) Outlook

The above is reflected in the consolidated financial results for the fiscal year ended March 31, 2023 and the forecasts for the fiscal year ending March 31, 2024 announced today.

2. Differences between full-year forecast and financial results for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Details of the difference

	Net sales	Operating loss	Ordinary loss	Net loss attributable to owners of parent	Basic loss per share
Forecast previously announced (A)	Millions of yen 12,800	Millions of yen (2,550)	Millions of yen (2,550)	Millions of yen (2,400)	Yen (46.42)
Financial results (B)	12,296	(1,724)	(1,664)	(2,286)	(44.25)
Difference (B-A)	(503)	825	885	113	
Rate of difference (%)	(3.9)	–	–	–	
(Reference) Results for the fiscal year ended March 31, 2022	12,852	(4,786)	(4,692)	(5,768)	(114.46)

(2) Reason for the difference

Net sales were lower than the previous forecast due to delay in establishing sales of new services, mobile ordering service “Gurunavi FineOrder” and “Furusato nozei service” etc.

On the other hand, expenses were significantly lower than the previous forecast due to progress in controlling costs such as business consignment expenses through narrowing down key measures and reviewing management resource allocation, ensure efficient management of advertising and sales promotion expenses with an emphasis on cost-effectiveness and dissolve the Company’s consolidated subsidiary, Gurunavi Promotion Community, Inc. etc. As a result, each loss narrowed from the previous forecasts.

(Reference)

Consolidated financial forecasts for the year ending March 31, 2024 (announced today) and consolidated financial results for the year ended March 31, 2023

(Million yen)	Net sales	Operating loss	Ordinary loss	Net loss attributable to owners of parent
Consolidated financial forecasts for the year ending March 31, 2024	13,700	(700)	(750)	(770)
Consolidated financial results for the year ended March 31, 2023	12,296	(1,724)	(1,664)	(2,286)