

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2024
<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
Contact: Teruhisa Yamada, Senior Managing Executive Officer
TEL: +81-3-6744-6463

Scheduled date to submit Quarterly Securities Report: February 6, 2024
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, 2024 (from April 1, 2023 to December 31, 2023)

(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, 2023	8,886	(0.8)	22	–	92	–	(148)	–
December 31, 2022	8,956	(6.3)	(2,046)	–	(1,996)	–	(1,918)	–

Note: Comprehensive income

Nine months ended December 31, 2023: ¥(112) million [–%]

Nine months ended December 31, 2022: ¥(1,737) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	(4.67)	–
December 31, 2022	(36.98)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2023	11,159	6,488	57.5
March 31, 2023	13,001	6,898	52.5

Reference: Equity

As of December 31, 2023: ¥6,417 million

As of March 31, 2023:

¥6,821 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, 2023	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2024	–	0.00	–		
Fiscal year ending March 31, 2024 (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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	13,000	5.7	(500)	–	(450)	–	(570)	–	(12.67)

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

* Notes

- (1) Changes in significant subsidiaries during the nine 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: 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 December 31, 2023	56,903,800 shares
As of March 31, 2023	56,903,800 shares

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

As of December 31, 2023	409,962 shares
As of March 31, 2023	1,128,462 shares

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

Nine months ended December 31, 2023	55,856,332 shares
Nine months ended December 31, 2022	54,996,038 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	Per-share dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	–	–	45	45
Fiscal year ending March 31, 2024	–	–	–		
Fiscal year ending March 31, 2024 (Forecast)				45	45

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	8,266,468	5,351,634
Notes and accounts receivable - trade	2,871,526	2,679,249
Work in process	6,731	308,401
Accounts receivable - other	813,708	876,657
Other	300,456	477,641
Allowance for doubtful accounts	(197,826)	(69,620)
Total current assets	12,061,065	9,623,965
Non-current assets		
Property, plant and equipment	-	164,324
Intangible assets	-	376,369
Investments and other assets	939,941	994,461
Total non-current assets	939,941	1,535,156
Total assets	13,001,006	11,159,121
Liabilities		
Current liabilities		
Notes and accounts payable - trade	117,622	115,198
Income taxes payable	22,434	14,240
Provision for bonuses	178,311	91,989
Provision for point card certificates	15,829	22,792
Accounts payable - other	2,031,459	1,262,779
Deposits received	920,919	107,489
Other	370,478	579,187
Total current liabilities	3,657,055	2,193,675
Non-current liabilities		
Long-term borrowings	2,200,000	2,200,000
Asset retirement obligations	158,920	178,952
Other	86,343	98,302
Total non-current liabilities	2,445,264	2,477,254
Total liabilities	6,102,319	4,670,930
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	9,045,626	6,846,537
Retained earnings	490,295	342,190
Treasury shares	(2,996,438)	(1,088,584)
Total shareholders' equity	6,639,483	6,200,143
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,887	150,284
Foreign currency translation adjustment	47,315	67,099
Total accumulated other comprehensive income	182,202	217,384
Share acquisition rights	77,000	70,663
Total net assets	6,898,687	6,488,191
Total liabilities and net assets	13,001,006	11,159,121

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

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	8,956,404	8,886,451
Cost of sales	3,691,597	3,224,918
Gross profit	5,264,807	5,661,533
Selling, general and administrative expenses	7,311,761	5,639,362
Operating income (loss)	(2,046,954)	22,170
Non-operating income		
Subsidy income	-	80,000
Dividend income	14,214	3,000
Gain on sales of supplies	17,119	878
Penalty income	19,582	-
Other	16,191	11,095
Total non-operating income	67,108	94,973
Non-operating expenses		
Interest expenses	7,995	16,913
Commitment fees	7,027	5,928
Other	1,538	2,266
Total non-operating expenses	16,560	25,108
Ordinary income (loss)	(1,996,406)	92,035
Extraordinary income		
Gain on sale of investment securities	290,290	-
Gain on reversal of asset retirement obligations	48,241	-
Gain on receipt of donated non-current assets	14,667	-
Gain on reversal of share acquisition rights	6,936	6,973
Total extraordinary income	360,135	6,973
Extraordinary losses		
Loss on valuation of investment securities	68,792	223,075
Loss on cancellation of rental contracts	150,829	-
Loss on sale of investment securities	21,178	-
Loss on liquidation of subsidiaries	31,169	-
Other	-	8,213
Total extraordinary losses	271,969	231,288
Net loss before income taxes	(1,908,241)	(132,280)
Income taxes	10,530	15,825
Net loss	(1,918,771)	(148,105)
Net loss attributable to owners of parent	(1,918,771)	(148,105)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net loss	(1,918,771)	(148,105)
Other comprehensive income		
Valuation difference on available-for-sale securities	135,534	15,397
Foreign currency translation adjustment	45,715	19,783
Total other comprehensive income	181,249	35,181
Comprehensive income	(1,737,521)	(112,924)
Comprehensive income attributable to:		
Owners of parent	(1,737,521)	(112,924)