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For immediate release



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

Progress Status Based on the Plan to Meet the Continued Listing Requirements

June 27, 2024 – Gurunavi, Inc. (the “Company”) submitted and announced its plan to meet the continued listing requirements of the Prime Market of the Tokyo Stock Exchange on June 21, 2023. As of March 31, 2024, the Company's progress status on the plan is as follows.

1. Change in the status of the Company’s compliance with the continued listing requirements and target period

As of March 31, 2024, the status of the Company's compliance with the continued listing requirements on the Prime Market, including the change thereof, is as shown in the table below, and the Company does not meet the requirements for tradable share market capitalization. As shown in the table below, the Company will continue to make various efforts to comply with the continued listing requirements by the end of March 2025.

		No. of Shareholders	No. of Tradable Shares	Tradable Share Market Cap.	Tradable Share Ratio	Daily Average Trading Value
Company's status and change thereof	As of March 31, 2023	20,831 shareholders	269,900 units	JPY 9.8 billion	47.4%	JPY 0.23 billion
	As of March 31, 2024	18,393 shareholders	277,470 units	JPY 7.7 billion	48.7%	JPY 0.10 billion
Continued listing requirements		800 shareholders	20,000 units	JPY 10 billion	35.0%	JPY 0.02 billion
Target period				By the end of March 2025		

*1 The Company's status mentioned above is calculated based on the information of distribution of the Company's share certificates, etc., available to Tokyo Stock Exchange, Inc. as of the base date.

*2 The daily average trading value is calculated by the Tokyo Stock Exchange based on the Company's average daily trading value from January 1, 2022 to December 31, 2022 and from January 1, 2023 to December 31, 2023.

2. Status and evaluation of measures that have been taken to meet the continued listing requirements (From June 2023 to June 2024)

In the plan disclosed on June 21, 2023, the Company announced that the reasons why the tradable share market capitalization did not meet the standards for maintaining the listing of the Prime Market were deterioration in business performance and uncertainty about the future due to the severe business environment caused by the COVID-19, and that the Company aims to conform the standards for maintaining the listing of the Prime Market by re-growing its business and further increasing its market capitalization based on the medium-term business policy announced on May 11, 2023 (fiscal year ending March 31, 2024 to fiscal year ending March 31, 2026). The status of implementation of specific initiatives based on this policy and its evaluation are as follows.

(1) Realize recovery and regrowth of business performance through evolution of business model based on medium-term business policy.

Based on the above medium-term business policy, the Company has positioned “Transform Gurunavi website” to enhance the customer referral capabilities to restaurants, support the effective use of diverse sales promotion and customer attraction methods, not limited to our websites “Establish Marketing agent”, and “DX Support for restaurant operation” centering on the mobile ordering service “Gurunavi FineOrder”, as key measures, and aims to achieve profitability in the fiscal year ending March 31, 2025 and demonstrate the feasibility of a recovery in our business performance and renewed growth.

In the fiscal year ended March 31, 2024, as part of “Transform Gurunavi website”, the Company changed the name of its restaurant information website “Gurunavi” to “Rakuten Gurunavi” in October 2023, in addition to regularly holding campaigns with coupons available through Rakuten points and online reservations, with the aim of promoting website usage by Rakuten users. As a result, the number of Rakuten ID connected members, our user base, increased to 8.74 million as of the end of March 2024 (up 1.67 million from the end of the previous fiscal year).

With regard to “Gurunavi FineOrder”, the number of contracted companies has increased, especially in restaurant chain companies, to 97 companies as of the end of March 2024 (target number set at the beginning of this fiscal year: 65 companies). In addition to expanding the number of restaurants installed by contracted companies, we also took measures to support the operation and use of our human support structure, one of our strengths, and as a result, the active ratio of restaurants with systems installed was 97%¹, the total number of users was 16.5 million² as of March 31, 2024, and the number of consumers using “Gurunavi FineOrder” grew steadily.

In addition, in the “Marketing agent” area, the Company improved products in line with the needs of both restaurants and consumers, such as strengthening support for information dissemination in multiple languages in “Google Business Profile operational support service” in light of the recovery of inbound demand. At the same time, the number of restaurants using this service steadily increased as a result of promoting proposals through a human support structure centering on sales staff.

As a result of implementing upfront investments in response to the above-mentioned key measures and making steady progress in these initiatives, as well as taking thorough measures to recover sales and control costs in existing domains, the operating loss for the fiscal year ended March 31, 2024 narrowed to JPY 330 million from the initial forecast (JPY 700 million), achieving a deeper response toward profitability in the fiscal year ended March 31, 2025.

(2) Conduct active dialogue with the stock market regarding (1) above

Regarding the progress of our business based on the aforementioned medium-term business policy, the Company actively disseminate information to the stock market in quarterly financial results announcements by posting financial results, financial results briefing materials, videos of financial results briefing sessions, and a question-and-answer record. In addition, the Group has been making efforts to strengthen information dissemination through new PR releases and the media for transmitting financial results briefings with the aim of communicating the progress of its business in a timely and easy-to-understand manner to individual investors who have few opportunities for direct dialogue.

¹ Percentage of stores where orders were generated by “Gurunavi FineOrder” (among those restaurants operating the system)

² Total number of people in groups of people who ordered using “Gurunavi FineOrder”

(3) Strengthen dissemination of non-financial information

In order to help readers understand our strengths and capabilities and evaluate our growth potential, we have also worked to strengthen the dissemination of non-financial information. Specifically, we regularly released articles introducing the views of employees engaged in business and services and the opinions of customers using our services at “Gurunavi official note” launched in March 2023. In addition, the Company has prepared and announced “Investors Guide” that comprehensively summarizes the Company's history, business details, and business performance.

- Gurunavi official note / https://note.com/gnavi_official (Japanese version only)
- Investors Guide / <https://corporate.gnavi.co.jp/en/ir/library/investorsguide/>

3. Issues and measures to be taken on the item that fails to meet the continued listing requirement

The Company described above in 1., the tradable share market capitalization as of the record date (March 31, 2024) did not meet the continued listing requirements of the Prime Market. Based on the plan announced on June 21, 2023, the Company aim to comply with the standard by the end of March 2025 by continuing to increase market capitalization by improving stock price through recovery of business performance and dispelling of uncertainty about the future.

(1) Realize recovery and regrowth of business performance through evolution of business model based on medium-term business policy

In the fiscal year ending March 31, 2025, the second year of the Medium-Term Business Policy, the Company has been making every effort to achieve the financial forecasts (Net sales of JPY 14,250 million and Net income attributable to owners of parent of JPY 110 million) announced on May 14, 2024, by continuing to strengthen the priority measures.

The initiatives the Company focus on in particular during the fiscal year under review are outlined below.

- ① Strengthening Rakuten Gurunavi website:
Strengthening online reservation service and creating strong sales promotion products
- ② Full-fledged Marketing agent:
Expand services handled and increase efficiency and sophistication of service operations
- ③ Improving product creation capability:
Developing a system that enables speedy “Create, Produce, and Sell”

By raising the growth potential of the restaurant support business, our core business, through these initiatives, the Company will not only achieve profitability, but also further enhance the probability of profit expansion in the final year, ending March 31, 2026 and beyond, which will lead to an improvement in share prices.

For detailed information on initiatives for the fiscal year ended March 31, 2025, please refer to the “Supplementary materials on the results for the fiscal year ended March 31, 2024” 12 page onward.

(<https://ssl4.eir-parts.net/doc/2440/tdnet/2439484/00.pdf>)

(2) Conduct active dialogue with the stock market regarding (1) above

Although the Company currently announce a qualitative business policy from a medium-term perspective, we have not yet announced a management plan that includes numerical targets. Therefore, the Company recognize that it is difficult for stock markets to evaluate our growth potential. The Company will consider formulating and publishing a medium-term management plan that includes numerical targets, after taking into consideration the status of recovery of existing businesses and the progress of new services based on the medium-term business policy.

(3) Strengthen dissemination of non-financial information

In order to help investors evaluate our growth potential, the Company will continue to endeavor to disseminate non-financial information in a timely and easy to understand manner that goes beyond financial information through “Gurunavi official note” and PR releases, and at the same time, strengthen information dissemination regarding policies and initiatives related to sustainability and human capital on the our corporate website in addition to system disclosure.

In addition to establishing the Basic Policy on Sustainability and implementing Governance and Improvement of Risk Management Structure, Materiality Identification, Risk and Opportunity Identification on Climate Change related to sustainability, the Company has established a new Human Resources Policy that serves as the basic policy for human capital management.

For detailed information, please refer to the “Corporate Governance Report” 4 page onward.

(https://corporate.gnavi.co.jp/assets/966b2f67af3e43d3b254686ffe2f391b/5e4b06dd8c9d4373b2b6202212430d8b/Corporate%20Governance%20Report_20240627_EN.pdf)