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Securities Code: 2440

June 4, 2018

To our shareholders

Seiichiro Kubo
President, Representative Director
Gurunavi, Inc.
1-2-2, Yurakucho, Chiyoda-ku, Tokyo

Notice of Convocation of the 29th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 29th Ordinary General Meeting of Shareholders of Gurunavi, Inc. (hereinafter the “Company”) to be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by using one of the following methods. Please read the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights no later than 6 p.m. on Tuesday, June 19, 2018 (JST).

[Voting by mail]

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and return it to the Company by the voting deadline mentioned above.

[Voting via the Internet or other electronic means]

Please read “Information on Exercise of Voting Rights by Electronic Means” (Japanese only) and enter your approval or disapproval of each of the proposals by the voting deadline mentioned above.

- 1. Date and Time:** Wednesday, June 20, 2018 at 10 a.m. (JST)
- 2. Location:** Dai-ichi Hotel Tokyo, LA ROSE (5th Floor)
1-2-6, Shimbashi, Minato-ku, Tokyo

3. Agenda for the Meeting

Matters to be reported:

- (1) The Business Report, the Consolidated Financial Statements, and the results of the audits by the Financial Auditors’ Report and the Board of Corporate Auditors’ Report regarding the Consolidated Financial Statements for the 29th business term (from April 1, 2017 to March 31, 2018)
- (2) The Non-Consolidated Financial Statements for the 29th business term (from April 1, 2017 to March 31, 2018)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Three (3) Directors
- Proposal No. 4:** Revision of Compensation Amount for Directors
- Proposal No. 5:** Determination of Compensation for Directors to Grant Restricted Shares Thereto

4. Arrangements in Convening the Meeting

- (1) If you exercise your voting rights both in writing (by mail) and via the Internet or other electronic means, we will only accept the exercise of your voting rights by electronic means as valid.
- (2) If you exercise your voting rights more than once by electronic means, we will only accept the most recent exercise of your voting rights as valid.

- If you are attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. You are also kindly asked to bring this notice as reference materials for the proceedings.

- The following information is available on the Company's website (<https://corporate.gnavi.co.jp/en/ir/stock/meeting.html>), and it is therefore omitted from the materials annexed to this Notice of Convocation pursuant to relevant laws and regulations and Article 15 of the Company's Articles of Incorporation. Accordingly, the attachments to this Notice of Convocation are only parts of the statements audited by the Corporate Auditors and Financial Auditors in their preparation of the audit reports.
 - (i) Notes to Consolidated Financial Statements
 - (ii) Notes to Non-Consolidated Financial Statements
- Any subsequent revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements will be posted on the Company's website (<https://corporate.gnavi.co.jp/en/ir/stock/meeting.html>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

Comprehensively taking into account various factors including business performance during this fiscal year, medium- and long-term business outlook, future investment plans and funding situations, the Company hereby makes the following proposals on the year-end dividend for the 29th fiscal year.

1. Type of dividend assets
Cash
2. Matters related to the allocation of dividend assets and total amount thereof
22 yen per common share of the Company, 1,029,224,702 yen in total.
Since we have paid an interim dividend of 22 yen per share, the annual dividend for this fiscal year will be 44 yen per share.
3. Effective date for appropriation of surplus
The effective date of dividends will be June 21, 2018.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal
The maximum number of Directors will be changed from twelve (12) to fifteen (15) (proposed change to be made to Article 18) in order to strengthen and enhance the Company's management structure.
2. Details of amendments
The details of the amendments are as follows:

(Underlined text indicates amendments.)

Current Articles of Incorporation	Proposed amendments
CHAPTER IV Directors and Board of Directors (Number of Directors) Article 18. The Company shall have a maximum of <u>twelve (12)</u> Directors.	CHAPTER IV Directors and Board of Directors (Number of Directors) Article 18. The Company shall have a maximum of <u>fifteen (15)</u> Directors.

Proposal No. 3: Election of Three (3) Directors

The Company proposes the election of three (3) Directors in order to increase the number of Directors by three (3) to further enhance the management system, under the condition that Proposal No. 2 on partial amendments to the Company's Articles of Incorporation is approved and adopted.

The term of office of newly elected Directors will end at the time of expiration of the term of office of other current Directors in accordance with the Company's Articles of Incorporation.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Brief personal history, position, responsibilities and significant concurrent positions	Number of the Company's shares held
1	Masaaki Takano (December 16, 1958) New election	<p>Apr. 1981 Joined Isetan Co., Ltd (now Isetan Mitsukoshi Ltd.)</p> <p>Apr. 2007 Store Manager of Isetan Matsudo store, Isetan Co., Ltd.</p> <p>Apr. 2009 Executive Officer, Store Manager of Isetan Shinjuku Main store, Isetan Mitsukoshi Ltd.</p> <p>Apr. 2011 President and C.E.O, Niigata Isetan Mitsukoshi Ltd.</p> <p>Apr. 2014 Managing Executive Officer, Store Manager of Isetan Shinjuku Main store, Isetan Mitsukoshi Ltd.</p> <p>July 2017 Adviser, Gurunavi, Inc.</p> <p>Dec. 2017 Joined Gurunavi, Inc.</p> <p>Dec. 2017 Executive Vice President, Gurunavi, Inc. (current position)</p> <p>(Responsibilities and significant concurrent positions) Deputy General Manager of Planning and Development Head of "Gastronomy and Tourism" Business Department, Planning and Development</p>	– shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Masaaki Takano was nominated as candidate for Director because he possesses long-standing experience in and advanced knowledge of the department store business. The Company expects him to utilize them in new business areas of the Company, to promote the development of the entire Company and improve the business results from the point of view of a corporate executive, and properly perform supervising function as Director.</p>			
2	Kei Tokumaru (August 26, 1976) New election	<p>Apr. 2005 Joined Yahoo Japan Corporation</p> <p>Jan. 2011 Joined Gurunavi, Inc.</p> <p>Dec. 2016 Executive Officer, Gurunavi, Inc.</p> <p>June 2017 Senior Executive Officer, Gurunavi, Inc.</p> <p>Feb. 2018 Managing Executive Officer, Gurunavi, Inc. (current position)</p> <p>(Responsibilities and significant concurrent positions) Head of Planning Department, Planning and Development Head of Let's Business Department, Planning and Development Deputy Head of "Gastronomy and Tourism" Business Department, Planning and Development</p>	– shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Kei Tokumaru was nominated as candidate for Director because the Company expects him to promote the development of the entire Company and improve the business results from the point of view of a corporate executive and properly perform supervising function as Director, because he has a wealth of knowledge and experience in the planning and implementation of services at the Company and at other companies.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, position, responsibilities and significant concurrent positions	Number of the Company's shares held
3	Yoshitaka Inuzuka (March 8, 1976) New election	Mar. 1999 Joined Tree, Inc. (now In4S Inc.) Nov. 2001 Joined AP Infinity, Inc. July 2003 Joined Rakuten, Inc. Nov. 2013 Joined Gurunavi, Inc. Apr. 2017 Executive Officer, Gurunavi, Inc. Feb. 2018 Senior Executive Officer, Gurunavi, Inc. (current position) (Responsibilities and significant concurrent positions) Deputy Head of Planning Department, Planning and Development	596 shares
Reasons for nomination as candidate for Director Mr. Yoshitaka Inuzuka was nominated as candidate for Director because the Company expects him to promote the development of the entire Company and improve the business results from the point of view of a corporate executive and properly perform supervising function as Director, because he has a wealth of knowledge and experience in the planning and implementation of services at the Company and at other companies.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The number of the Company's shares owned indicates the effective number of shares owned including those owned through the employee stock ownership plan.

Proposal No. 4: Revision of Compensation Amount for Directors

In regard to the compensation amount for the Company's Directors, a compensation amount for Directors (excluding external Directors) of no more than 370 million yen per year (provided, however, that the portion of employee's salary payable to the Company's Directors who concurrently serve as employees is not included), and a compensation amount for external Directors of no more than 30 million yen per year were approved at the 22nd Ordinary General Meeting of Shareholders held on June 17, 2011, and it has remained so until today. However, the duties of all Directors (including external Directors) increased qualitatively and quantitatively following changes in the Company's business environment and economic conditions after the aforementioned compensation was approved, and the number of Directors will increase by three (3), from no more than twelve (12) to no more than fifteen (15), if both Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of Three (3) Directors" are approved. Taking these and other factors into consideration, the Company proposes that the compensation amount for Directors (excluding external Directors) be revised to no more than 500 million yen per year, and that the compensation amount for external Directors be revised to no more than 50 million yen per year.

However, the compensation amount for Directors will, as before, not include the salaries of an employee who serves concurrently as Director.

Please note that the Company currently has eleven (11) Directors (including two (2) external Directors). If Proposal No. 3 "Election of Three (3) Directors" is approved and adopted as proposed, the number of Directors will be fourteen (14) (including two (2) external Directors).

Proposal No. 5: Determination of Compensation for Directors to Grant Restricted Shares Thereto

In regard to the amount of compensation, etc., for the Company's Directors, a compensation amount for Directors (excluding external Directors) of no more than 370 million yen per year (provided, however, that the portion of employee's salary payable to the Company's Directors who concurrently serve as employees is not included), and a compensation amount for external Directors of no more than 30 million yen per year were approved at the 22nd Ordinary General Meeting of Shareholders held on June 17, 2011. At the same meeting it was also approved that stock acquisition rights as share compensation-type stock options can be issued within the above compensation amount. Also, it was approved at the 23rd Ordinary General Meeting of Shareholders held on June 22, 2012 that the stock acquisition rights as the incentive-type stock options can be issued within the above compensation amount. Moreover, if Proposal No.4 "Revision of Compensation Amount for Directors" is approved and adopted as proposed, the compensation amount for Directors (excluding external Directors) shall be no more than 500 million yen per year (provided, however, that the portion of employee's salary payable to the Company's Directors who concurrently serve as employees is not included), and the compensation amount for external Directors shall be no more than 50 million yen per year.

As part of the revision to the executive compensation plan of the Company, the Company would like to replace the aforementioned compensations regarding stock acquisition rights as stock options with the payment to Directors (including external Directors; the "Eligible Directors") of the Company of compensation for the purpose of newly granting restricted shares to the Eligible Directors separate from the compensation amount above as an incentive to sustainably increase the Company's corporate value and share this value together with shareholders.

The compensation to be paid to Eligible Directors for the purpose of granting restricted shares based on this proposal will be monetary claims ("Monetary Compensation Claims") and for the maximum total amount of said Monetary Compensation Claims will be set at 270 million yen per year (of which external Directors shall be 20 million yen), the amount deemed as reasonable in light of the aforementioned purpose. Specific timing of payment thereof and allotment to each of the Eligible Directors shall be determined by the Board of Directors.

The above compensation amount will not include the salaries of an employee who serves concurrently as Director. On the condition that this proposal is approved and adopted, the Company shall discontinue the compensations regarding stock acquisition rights as share compensation-type stock options and incentive-type stock options, except for those already granted, and shall not issue new stock acquisition rights as stock options for Directors. The Company currently has eleven (11) Directors (including two (2) external Directors). If Proposal No. 3 "Election of Three (3) Directors" is approved and adopted as proposed, the number of Directors will be fourteen (14) (including two (2) external Directors).

Eligible Directors shall pay all Monetary Compensation Claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution by the Board of Directors of the Company, and shall, in return, receive common shares of the Company to be issued or disposed of by the Company. The total number of common shares to be issued or disposed of by the Company shall be no more than 210,000 shares per year (however, if a situation arises in which the total number of the Company's common shares to be issued or disposed of as restricted shares must be adjusted due to the share split of the Company's common shares, including a gratis allotment, or consolidation of shares of common stock of the Company that is effective after the date this proposal is approved and adopted, the total number of shares will be adjusted within a reasonable scope).

The amount to be paid-in per share shall be the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). In addition, such issuance or disposal of the Company's common shares shall be subject to a restricted share allotment agreement (the "Allotment Agreement") entered into by and between the Company and each Eligible Directors of the Company that includes the provisions as summarized below.

(1) Restricted period

Eligible Directors are prohibited from transferring, creating any security interest on, or otherwise disposing of the Company's common shares that have been allotted under the Allotment Agreement ("Allotted Shares") during the period set forth in advance by the Board of Directors of the Company from one (1) to five (5) years from the day on which Eligible Directors receive allotment of shares under the Allotment Agreement (the "Restricted Period"). These restrictions are hereinafter referred to as "Restriction."

(2) Treatment on retirement from office

When an Eligible Director retires from the position of Director of the Company before expiration of the Restricted Period, the Company shall automatically acquire the Allotted Shares without contribution, except when the retirement is due to an expiration of the term, death or other justifiable reasons.

(3) Lifting of restriction

The Company shall lift the Restriction of all Allotted Shares upon expiration of the Restricted Period on the condition that the Eligible Director has remained in the position of Director of the Company throughout the Restricted Period. However, if said Eligible Directors retire from the position cited in (2) above before expiration of the Restricted Period due to the expiration of the term of his/her office, death, or other justifiable reasons cited in (2) above, the Company shall reasonably adjust the number of Allotted Shares on which Restriction is to be lifted and the timing of lifting Restriction, as necessary. In addition, at the time immediately after the expiration of the Restriction Period following the provisions above, the Company shall automatically acquire without contribution the Allotted Shares on which Restriction has not been lifted.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions in (1) above, if, during the Restricted Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift Restriction on the Allotted Shares with the number of shares that is reasonably determined considering the period from the beginning of the Restricted Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. become effective, by resolution of the Board of Directors of the Company. When the above is prescribed, at the time immediately after the expiration of the Restriction Period, the Company shall automatically acquire without contribution the Allotted Shares on which Restriction has not been lifted.

(5) Other Matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.