Results Briefing for the Fiscal Year ended March 31, 2014

May 13th, 2014

Kakaku.com, Inc.

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Review of Quarterly Business Conditions

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Full year results for FY3/2014

(Unit: million yen)

	FY3/2013 results	FY3/2014 results	YoY	Full-year forecast	Achievement ratio(%)
Sales	23,276	**29,814**	+28.1%	**29,200**	102.1%
Operating income	11,616	**14,680**	+26.4%	**14,350**	102.3%
Ordinary income	11,611	**14,774**	+27.2%	**14,350**	103.0%
Net income	7,090	**9,066**	+27.9%	**8,800**	103.0%
Operating margin	49.9%	**49.2%**	-0.7pts	**49.1%**	-
ROE	38.0%	**40.4%**	+2.4pts	-	-

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4Q ended Mar. 31, 2014 (Quarterly)

(Unit: million yen)

	FY3/2013 3Q	FY3/2014 4Q	FY2013 3Q	FY2013 4Q	QoQ	YoY
Sales	6,112	6,827	7,660	**8,777**	+14.6%	+28.6%
Operating income	3,173	3,458	3,810	**4,369**	+14.7%	+26.4%
Ordinary income	3,176	3,488	3,827	**4,387**	+14.6%	+25.8%
Net income	1,943	2,148	2,345	**2,693**	+14.8%	+25.3%
Operating margin	51.9%	50.7%	49.7%	**49.8%**	-	-

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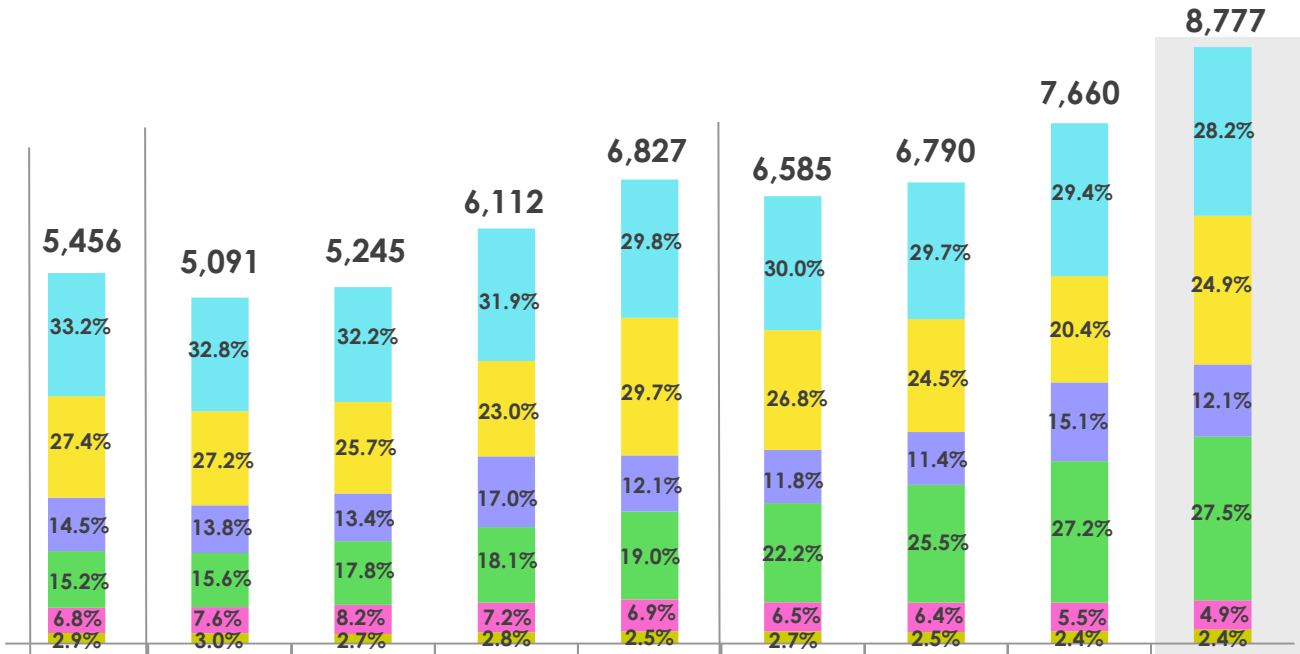
Quarterly Sales by Business Category (Consolidated)

- Shopping business's sales growth rate was unusually high due to demand rush preceding consumption tax hike



Note: Amounts exclude inter-segment sales and transfers.

(Unit: million yen)	FY2011	FY2012				FY2013			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Shopping	1,811	1,670	1,687	1,952	2,031	1,972	2,014	2,253	2,479
Service	1,495	1,384	1,347	1,403	2,024	1,762	1,662	1,560	2,188
Advertising	788	700	704	1,041	823	779	775	1,159	1,060
Tabelog	830	796	933	1,108	1,298	1,463	1,733	2,084	2,413
Travel and Real Estate, etc.	372	388	428	439	470	426	434	422	429
Finance	157	150	144	166	179	180	169	179	206

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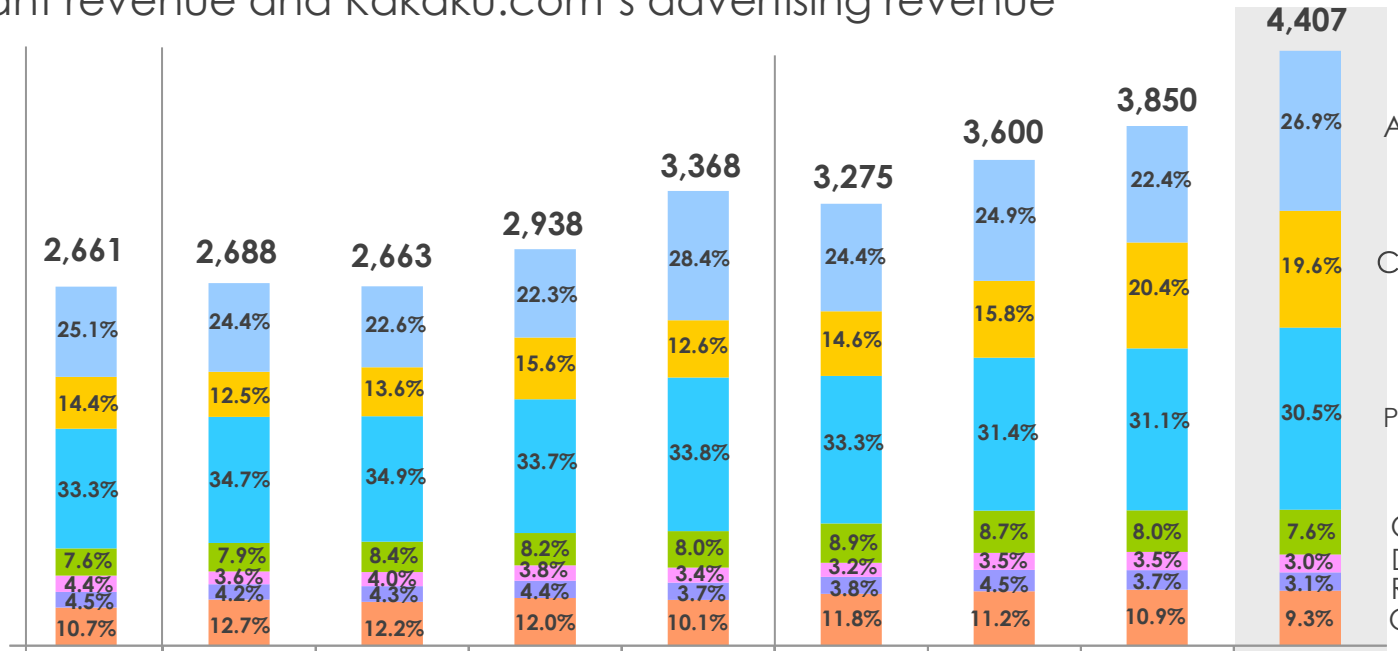
Quarterly Cost Breakdown (Consolidated)

- Agency commission fee share grew YoY due to robust growth of Tabelog fee-paying restaurant revenue and Kakaku.com's advertising revenue



*1 Commission = Various commissions paid + Advertising agency commissions
*2 The number of regular employees, with the average number of temporary employees for each quarter shown separately in parentheses

(Unit: million yen)

	4Q FY2011	1Q FY2012	2Q FY2012	3Q FY2012	4Q FY2012	1Q FY2013	2Q FY2013	3Q FY2013	4Q FY2013
Advertising	667	655	601	655	955	797	896	863	1,184
Commission *1	383	336	361	458	425	478	569	784	865
Personal-related	887	932	929	989	1,137	1,091	1,131	1,198	1,346
Outsourcing	202	211	224	240	269	292	312	309	332
Depreciation	119	95	106	112	113	105	126	135	132
Rent	116	113	114	128	126	124	159	143	137
Other	283	342	326	354	340	385	403	416	407
Employee headcount *2	416(64)	442(67)	446(74)	464(75)	473(76)	507(80)	532(87)	553(89)	570(90)

Jan-Mar 2014 Breakdown of "other" expenses
・Server maintenance JPY119mn
・Goodwill amortization JPY22mn
・Employee recruitment JPY40mn
etc.

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Operating review by Site

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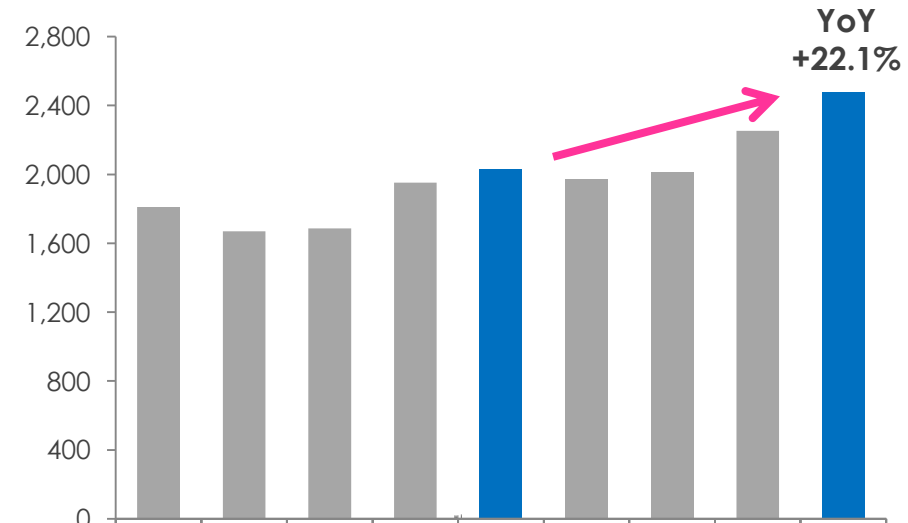
Kakaku.com Shopping Segment

4Q Topics

- Shopping business's sales were boosted by brisk sales of big-ticket merchandise (e.g., appliances, seasonal consumer electronics) amid pre-tax-hike demand rush
- Launched Misetoku sale information service spanning a broad range of merchandise categories, including fashion and household goods (Mar)
- Upgraded "My Page" feature to enable users to better manage latest information on products and merchants (Mar)
- Launched e-book price comparison service that allows users to compare information from multiple sites (Feb)

Quarterly Sales Trend (million yen)



	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2011	FY2012				FY2013			
Shopping	1,811	1,670	1,687	1,952	2,031	1,972	2,014	2,253	2,479

Screenshot of e-book price comparison



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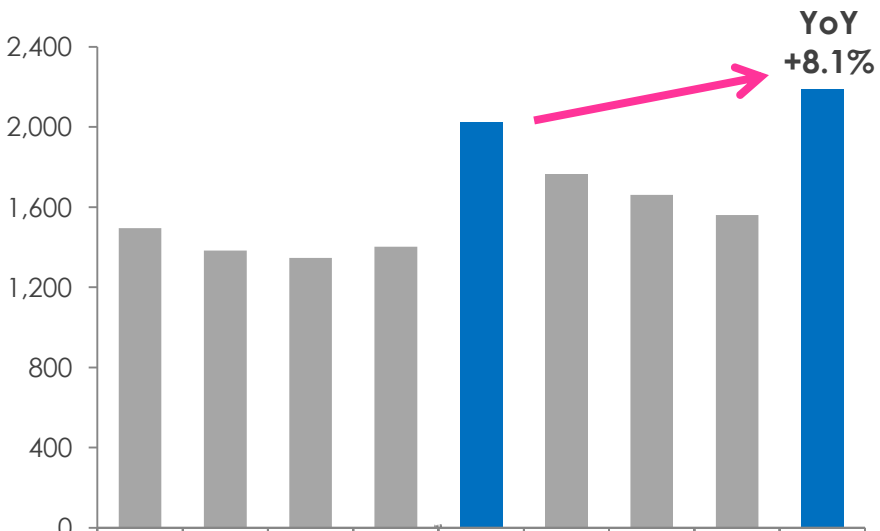
Kakaku.com Service Segment

4Q Topics

- Added a user-to-user discussion board in the home loan category (Feb)
- Substantially increased the number of searchable models of used cars in March; number of comparable used car listings increased to some 440,000
- Launched photo studio search service (Mar)

Quarterly Sales Trend (million yen)



	4Q FY2011	1Q FY2012	2Q FY2012	3Q FY2012	4Q FY2012	1Q FY2013	2Q FY2013	3Q FY2013	4Q FY2013
Service	1,495	1,384	1,347	1,403	2,024	1,762	1,662	1,560	2,188

Screenshot of Photo Studio Search



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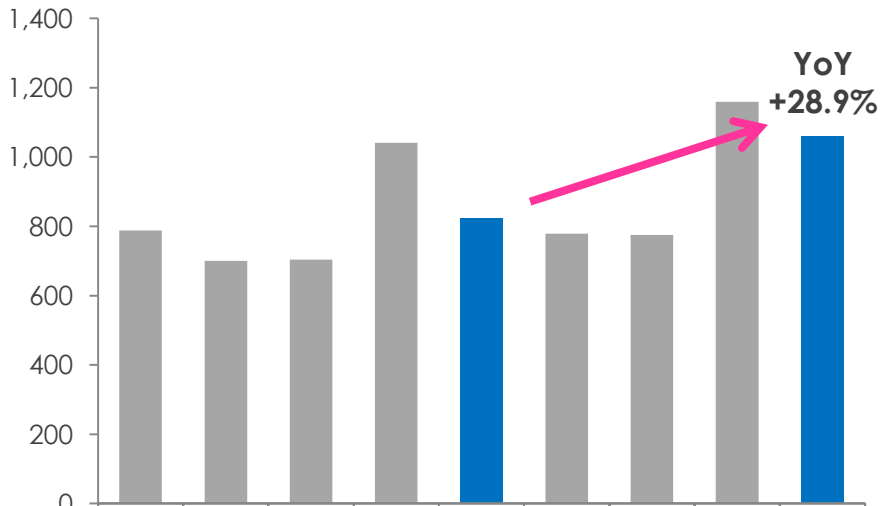
Kakaku.com Advertising Segment

4Q Topics

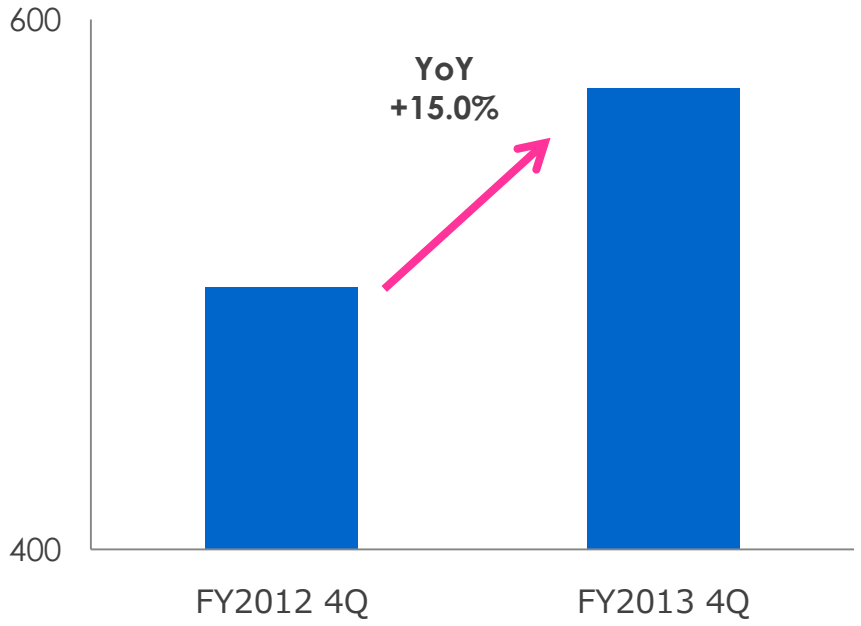
- Sales grew 28.9% YoY, fueled by increase in advertisers' propensity to advertise and growth in ad placements
- Increase in orders from automotive advertisers and others outside the consumer electronics and AV hardware sectors
- Advertising sales via external network (e.g., BI.Garage, Inc.) continue to grow briskly from 3Q

Quarterly Sales Trend (million yen)



	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2011	FY2012				FY2013			
Advertising	788	700	704	1,041	823	779	775	1,159	1,060

Number of advertisers



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Restaurant ratings and review site



食べログ

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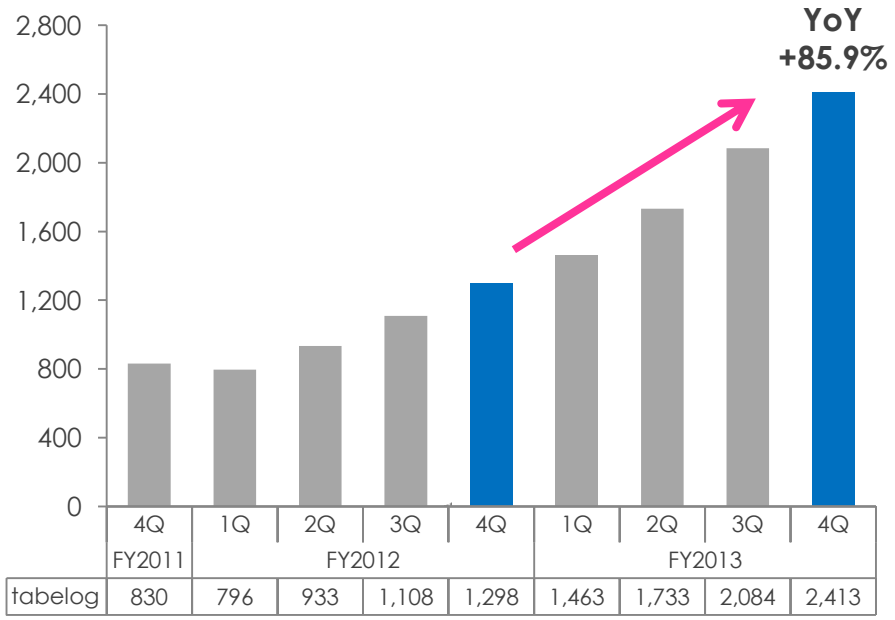
tabelog

4Q Topics

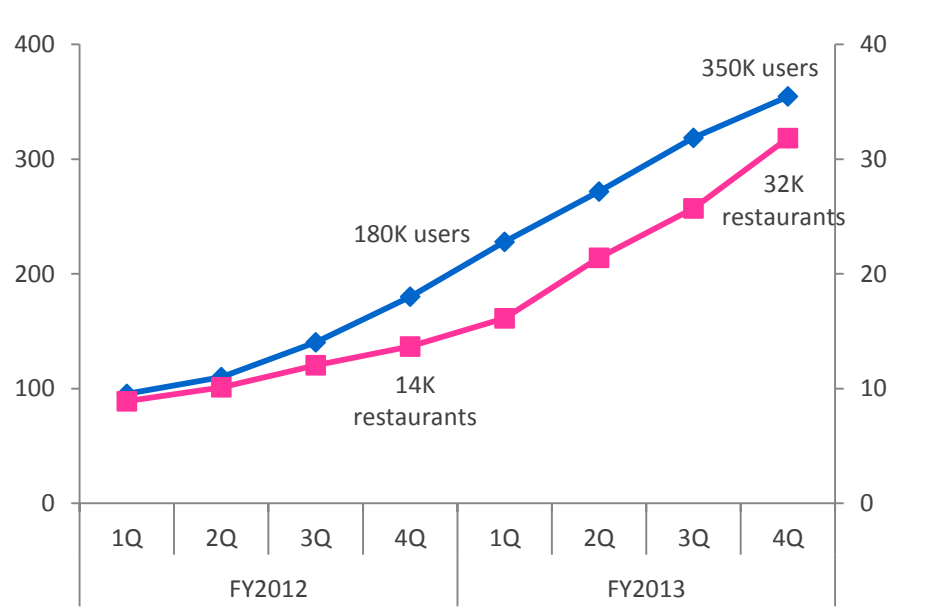
- Continued to sign up *tabelog* fee-paying restaurants at a brisk pace; ended March with 32,000 fee-paying restaurants
- Online restaurant reservation service's users surpassed 500,000 on a cumulative basis (Apr)
- Upgraded *tabelog* iPhone app, making it easier for users to search for restaurants in various scenarios (Feb)

Quarterly Sales Trend (million yen)



	4Q FY2011	1Q FY2012	2Q FY2012	3Q FY2012	4Q FY2012	1Q FY2013	2Q FY2013	3Q FY2013	4Q FY2013
tabelog	830	796	933	1,108	1,298	1,463	1,733	2,084	2,413

Premium members (in 1,000s) and fee-paying restaurants (in 1,000s)



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Travel, Real Estate and others

4 for travel.jp

スマイティ

PHOTOHITO

映画.com

kakaku.com insurance

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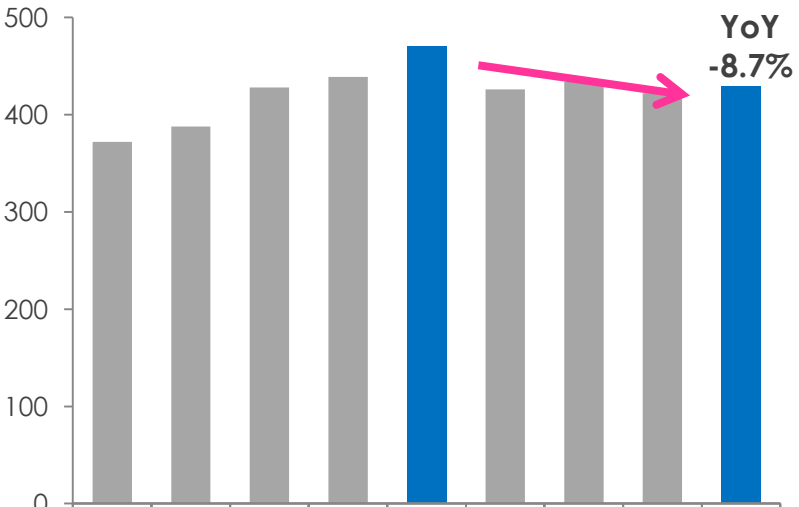
Travel and Real Estate and other businesses

4Q Topics

- *4travel*: released Android app for posting travel commentary (Mar)
- *Sumaity*: upgraded smartphone site for rental and new single-family home listings (Jan)
- *yoyaQ*: redesigned smartphone site (Jan-Feb)
- *eiga.com*: released Windows 8 app in March as users surpassed nine million

Quarterly Sales Trend (million yen)



	4Q FY2011	1Q FY2012	2Q FY2012	3Q FY2012	4Q FY2012	1Q FY2013	2Q FY2013	3Q FY2013	4Q FY2013
Tracel and Real Estate, etc.	372	388	428	439	470	426	434	422	429

Screenshot of *Sumaity* smartphone site



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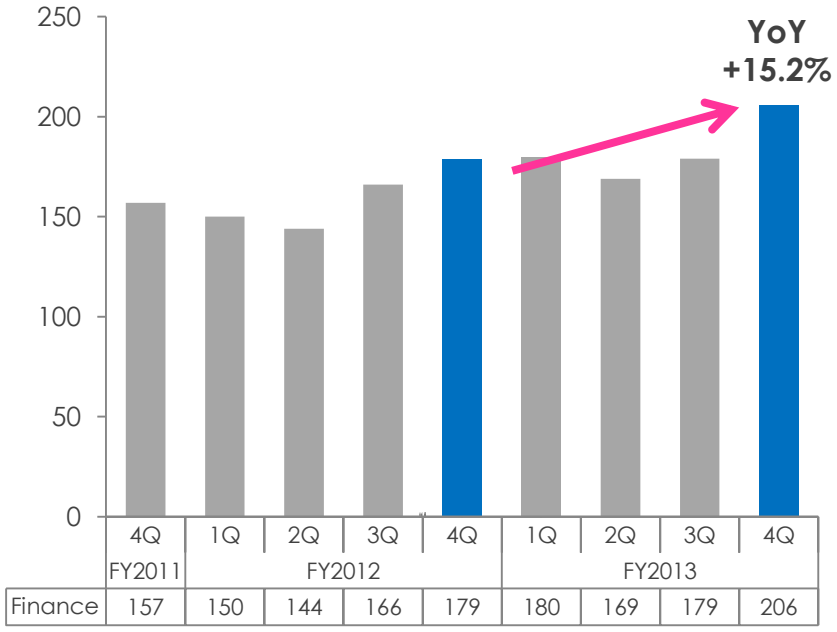
Finance Segment

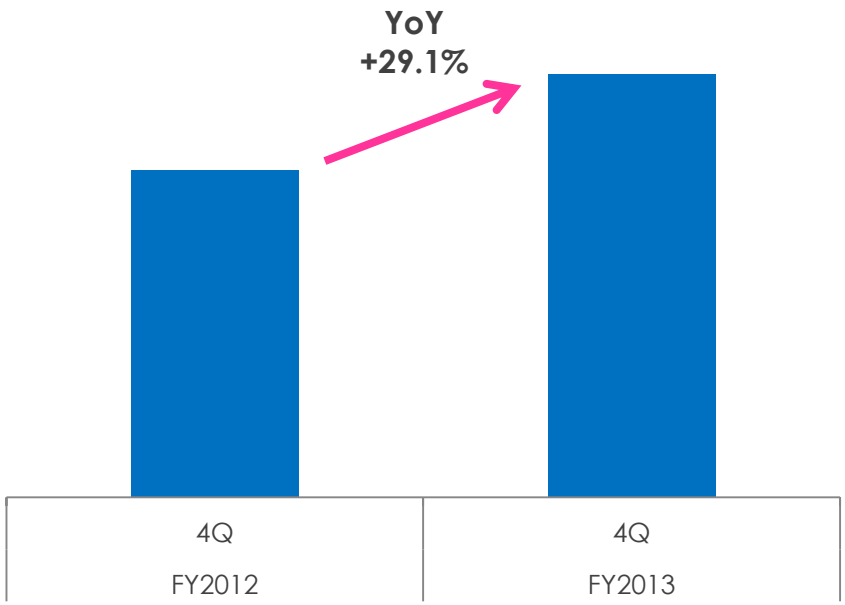
4Q Topics

- Sales in insurance business alone grew 21.4% YoY accompanying an increase in the number of contracts. Since finance business sales for 4Q of previous fiscal year include FX business sales, finance business sales increased 15.2% YoY to 206 million yen
- Number of nonlife, mainly fire, insurance applications increase sharply due to real estate-related demand rush preceding consumption tax hike

Quarterly Sales Trend (million yen)



Number of fire insurance contracts



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Business Forecast for the Fiscal Year ending March 31,2015 (FY 2014)

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FY2014 forecast

■ Sales

- Sales forecast equates to **22.4**% growth rate
- Anticipating diversification of *Kakaku.com* and *tabelog*'s revenue streams and growth in new businesses contribution to sales

■ Expenses

- In addition to increased costs associated with business expansion, the company plans to put certain investments to start new businesses for mid-term growth

(Unit: million yen)

	FY2013 Full-year result	FY2014 Full-year forecast	Increase/decrease	YoY
Sales	29,814	**36,500**	6,685	+22.4%
Operating income	14,680	**17,300**	2,619	+17.8%
Operating margin	49.2%	**47.4%**	-	-1.8pts
Ordinary income	14,774	**17,300**	2,525	+17.1%
Net income	9,066	**11,000**	1,933	+21.3%

Targeting a 32~33% consolidated dividend payout ratio in FY2014

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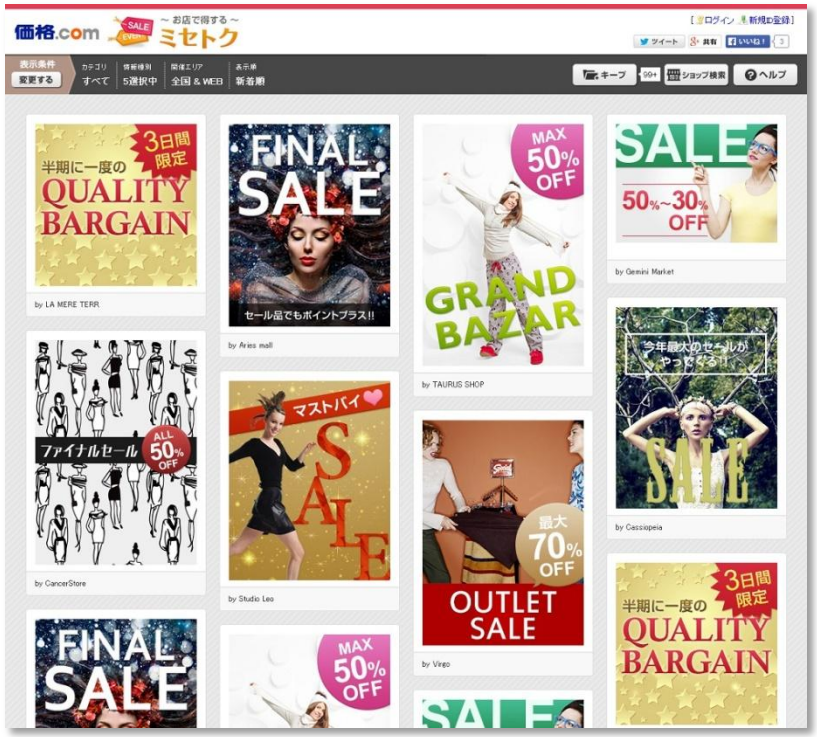
Business strategy: Kakaku.com

Future initiatives

- Strengthen consumer goods categories (e.g. fashion, home interior)
- Expand smartphone content, including O2O services

Misetoku



Continue providing
smart phone-optimized content



Participating companies

Nissen, Maruzen, Pearly Gates, MUJI(Mujirushi Ryohin), Dr.Ci:Labo, Junkudo, Aeon, Belle Maison, PC Koubou, etc.

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Revision of Kakaku.com's CPC (Cost per Click) Pricing

	CPC rates	Categories with revised CPC rates
New additions	¥45	Baby strollers, child seats, water heaters, dishwashers, tires, non-studded tire
New additions	¥40	Monitors/displays, air conditioners, massage chairs
Current rates	¥35	PCs, 3D printers, projectors, video cards, barebone PCs, LCD TVs, plasma TVs, pre-main amps, washers, wine cellars, refrigerators, freezers
Current rates	¥30	Wired broadband routers, MP3 players, HDD recorders, AV amps, IH cooking heaters, garbage disposals, water filters/purifiers, etc.
Current rates	¥25	
Current rates	¥20	
Current rates	¥15	
Current rates	¥10	

Reason for CPC rate revision

With the average sale per referred customer rising by virtue of improvement in content, CPC rates will be revised to appropriate levels

Schedule

New rates take effect on **July 1, 2014**

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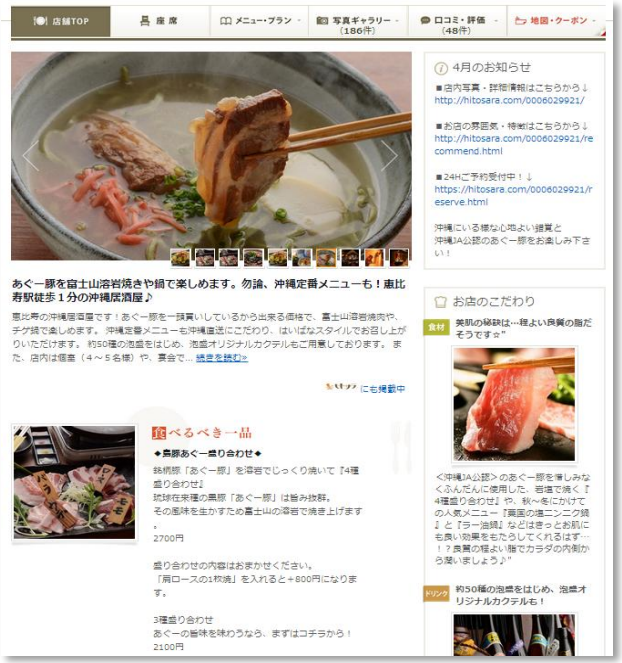
Business Strategy: tabelog

Future initiatives

- Aim to increase users and premium members by upgrading smartphone app and improving its ease of use
- Continue to expand functionality and increase sales of services to restaurants



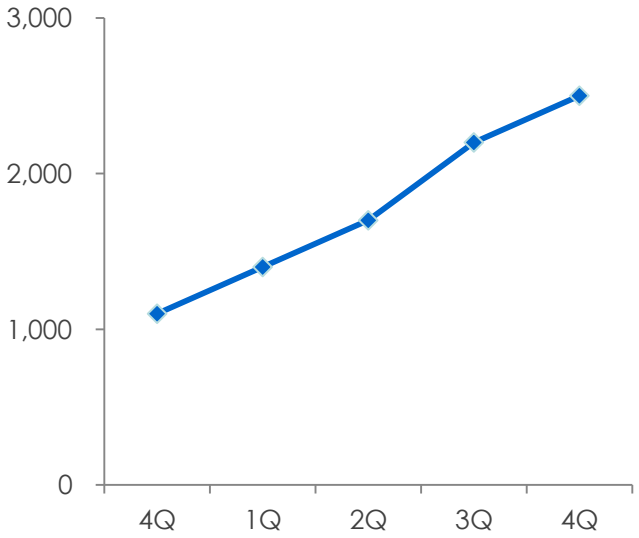
Upgraded Android app scheduled to be released soon



Now expanding restaurants' official content and deploying an interface more conducive to PR

Number of restaurants using online reservation service

Unit: number of restaurants



Will start offering plan with online reservation add-on from FY2014 in the aim of increasing the number of restaurants using online reservations

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Business Strategy: Other Businesses

Future initiatives

Real estate business

Improve structure to better help users find home they are looking for

- Increase rental listings
- Strengthen search function
- Improve smartphone usability

Travel business

Upgrade smartphone content

- Strengthen search function
- Improve smartphone usability
- Pursue synergies with Time Design

New businesses

Further expand users

- Vinica: Upgrade app
- Recipom: Upgrade now in planning stage
- Launch new services

Overseas businesses

Expand content

- Priceprice: with three-country total monthly unique users surpassing one million in March, upgrade smartphone site to enhance user-friendliness
- TABÉLOG: add restaurant-sponsored areas, increase reviewers/reviews

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Reference Data

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Segments and Business Description

Segment	Site Category	Business Category	Business Description
Internet Media	Kakaku.com	Shopping	• Commission income from registered shops based on the number of clicks and sales performance
		Service	• Commission income based on factors including the number of broadband line contracts • Commission income based on estimate and requests for information materials for car insurance, finance, and used car searches
		Advertising	• Advertising income from banners, text advertisements, and advertisements associated with site content and search keywords on Kakaku.com
	tabelog	tabelog	• Income from tabelog (income from advertisements for restaurants and for regular clients, income from a pay-per-use business targeting individuals, etc.)
	Other	Travel and Real Estate, etc.	• Income from operated sites such as yoyaQ.com, 4travel, and Sumaity
Finance		Finance	• Commission income from a *general independent insurance* agency business for life insurance, non-life insurance, etc. *Operated by Kakaku.com Insurance, Inc.

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Access Status of Kakaku.com and tabelog

Products and services comparison site

Kakaku.com

価格.com

Users per month	49.66mn
(PC)	31.45mn
(Smartphone)	17.56mn
(Feature phone)	0.65mn
Total page views per month	1,093.92mnPV

(as of end of Mar. 2014)



(Opened in May. 1997)

Restaurant ratings and review site

tabelog

食べログ

Users per month	57.48mn
(PC)	25.19mn
(Smartphone)	30.86mn
(Feature phone)	1.44mn
Total page views per month	1,333.11mnPV

(as of end of Mar. 2014)



(Opened in Mar. 2005)

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Access Status of Travel, Real Estate, and others

User-generated travel guide
4travel

Users per month	6.19mn
(PC)	3.42mn
(Smartphone)	2.67mn
(feature phone)	0.10mn
Total page views per month	40.54mnPV

(as of end of Mar. 2014)



(Acquired in Jan. 2005)

Movie discovery platform
eiga.com

Users per month	9.03mn
(PC)	2.96mn
(Smartphone)	5.78mn
(feature phone)	0.29mn
Total page views per month	61.95mnPV

(as of end of Mar. 2014)



(Acquired in Apr. 2007)

Online residential estate portal
Sumaity

Users per month	1.13mn
(PC)	0.75mn
(Smartphone)	0.37mn
(feature phone)	0.01mn
Total page views per month	8.99mnPV

(as of end of Mar. 2014)



(Opened in Sept. 2008)

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Operated Website User Profile

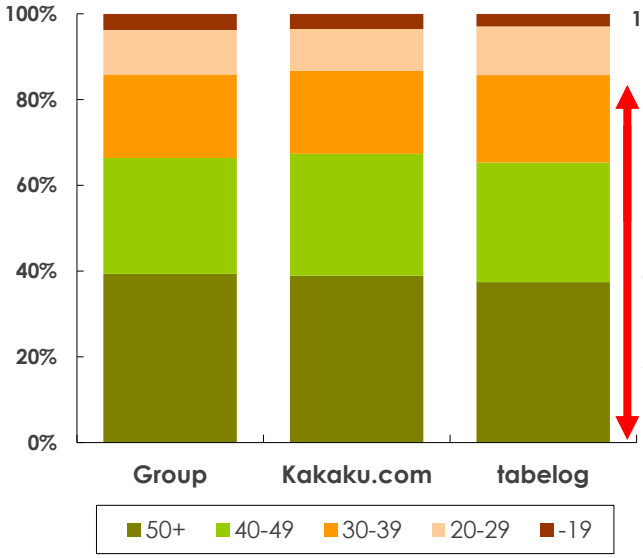
- A high proportion of users age 30 and over. Used by people with purchasing power
- More male users than female users. Expected increase in female users
- High proportion of access from Greater Tokyo area residents. Expected increase in users from outlying areas

Users Age 30 and Over: Approx. 80%

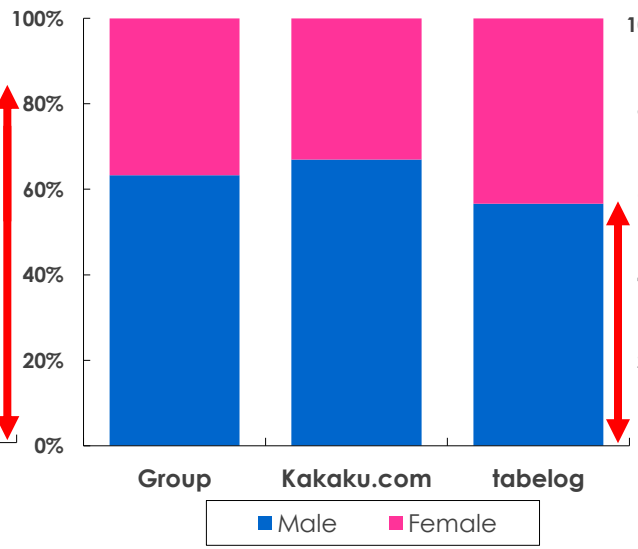
Male Users: Approx. 60%

Kanto Area Residents: Approx. 60%

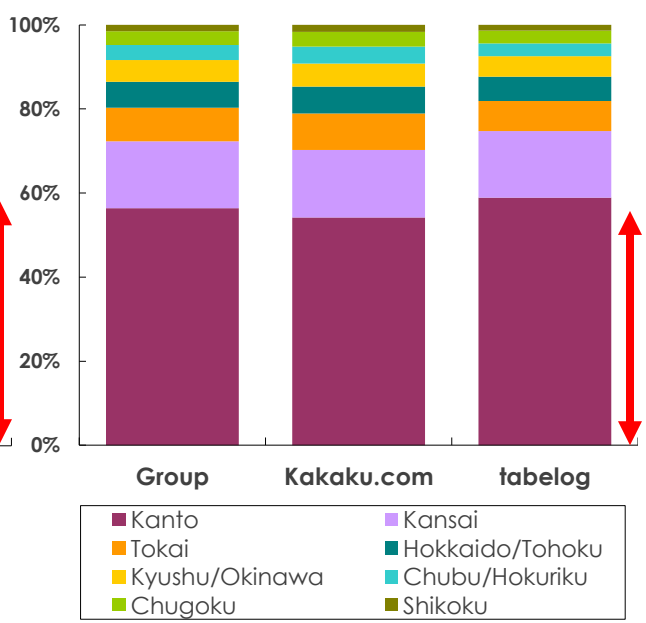
Age Distribution



Male-Female Ratio



Area of Residence



Age distribution and male-female ratio: Excerpted from a Nielsen Online Mar 2014 study (Home & Work Data)
Area of residence: Kakaku.com internal data (Mar 2014 survey)

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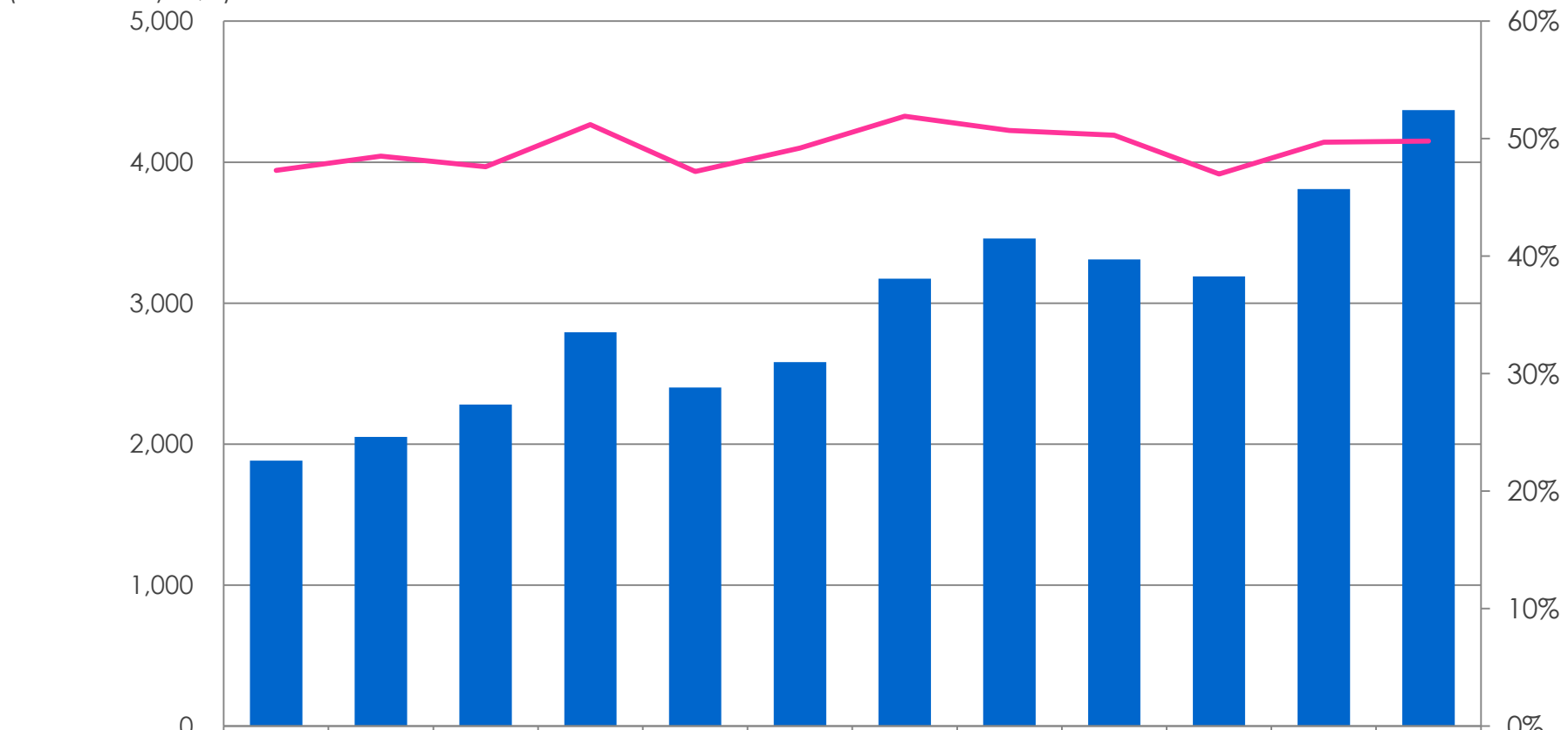
Operating Income by Quarter (Consolidated)

(Unit: million yen,%)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2011				FY2012				FY2013			
Operating income	1,882	2,051	2,281	2,794	2,402	2,581	3,173	3,458	3,310	3,189	3,810	4,369
Operating magin	47.3%	48.5%	47.6%	51.2%	47.2%	49.2%	51.9%	50.7%	50.3%	47.0%	49.7%	49.8%

Note: Effective from FY2012, the basis for presentation of service business sales has been changed from gross sales to net sales. Figures for FY2011 and prior years have been restated on a net sales basis.

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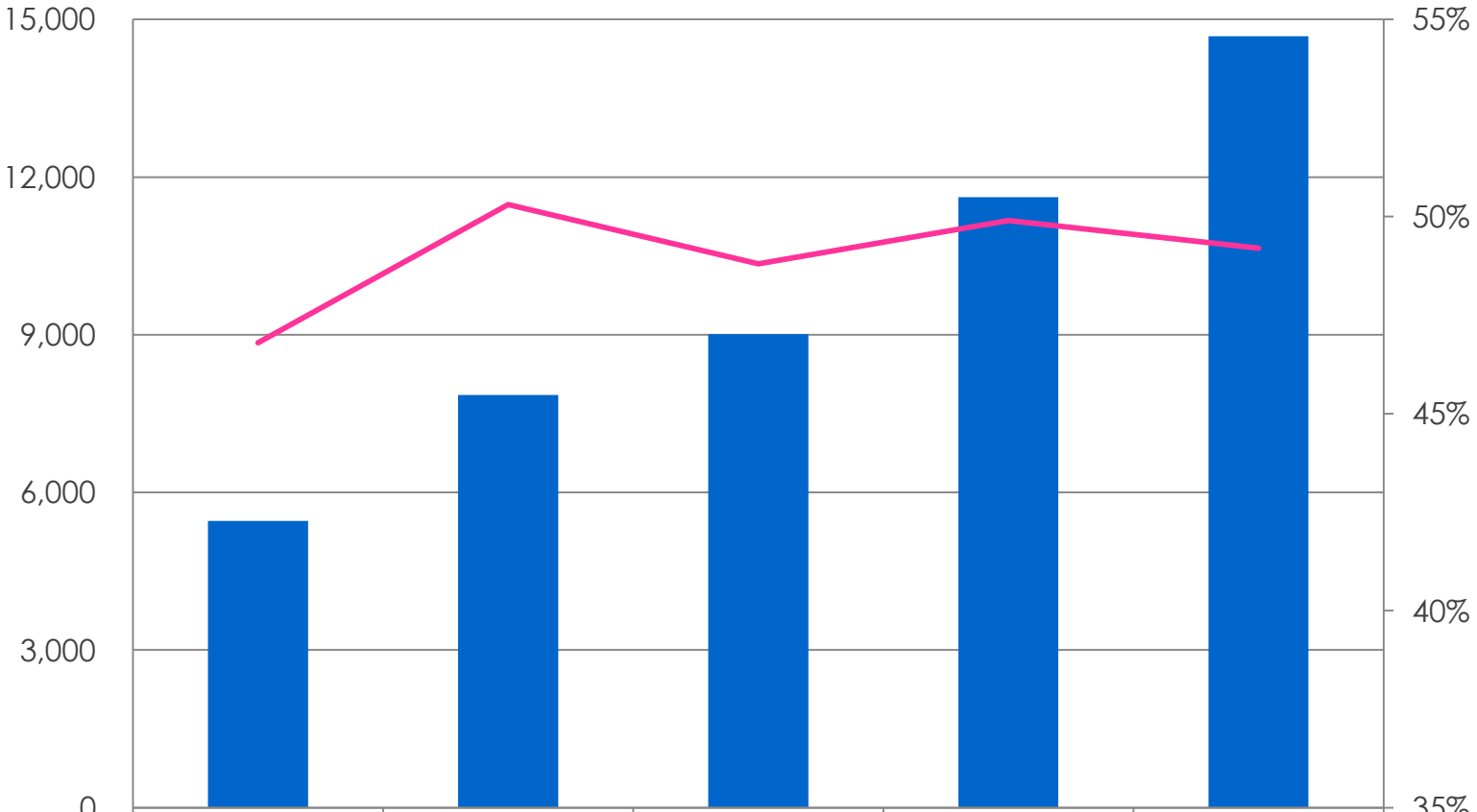
Operating Income by Fiscal Year (Consolidated)

(Unit: million yen,%)



	FY2009	FY2010	FY2011	FY2012	FY2013
Operating income	5,455	7,854	9,010	11,616	14,680
Operating margin	46.8%	50.3%	48.8%	49.9%	49.2%

Note: Effective from FY2012, the basis for presentation of service business sales has been changed from gross sales to net sales. Figures for FY2011 and prior years have been restated on a net sales basis.

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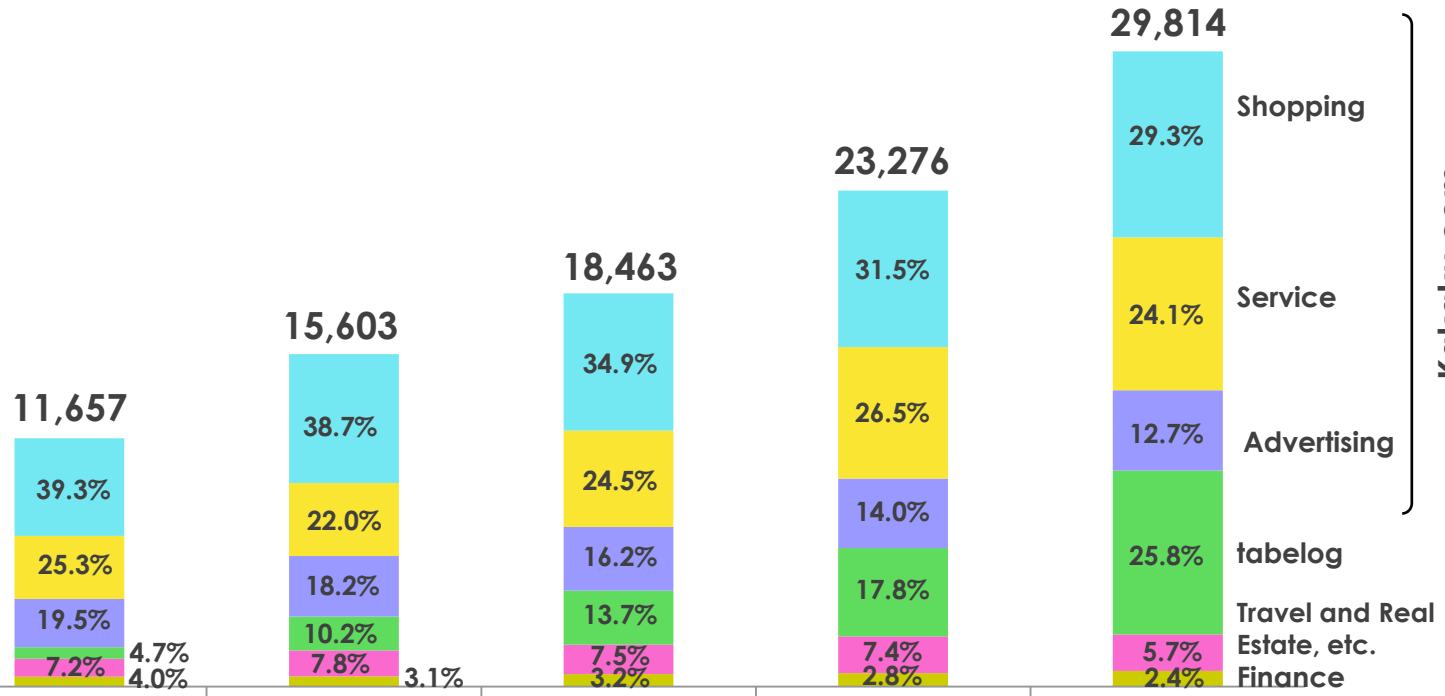
Sales Contribution by Business by Fiscal Year (Consolidated)



Note: Amounts exclude inter-segment sales and transfers.

(Unit: million yen,%)

	FY2009	FY2010	FY2011	FY2012	FY2013
Shopping	4,581	6,043	6,445	7,342	8,721
Service	2,951	3,426	4,520	6,160	7,173
Advertising	2,271	2,848	2,988	3,269	3,774
tabelog	541	1,584	2,539	4,136	7,695
Travel and Real Estate, etc.	844	1,213	1,384	1,726	1,712
Finance	466	487	585	641	735

Note: Effective from FY2012, the basis for presentation of service business sales has been changed from gross sales to net sales. Figures for FY2011 and prior years have been restated on a net sales basis.

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Services Provided by the Kakaku.com Group

◆Customer Purchasing Support Site

Kakaku.com http://kakaku.com/ 価格.com

This site provides price, product, and word-of-mouth information on various products and services, including PCs and home appliances, broadband and mobile phone charges, food and drink, interior goods, and cosmetics.

◆ Website for last-minute discounts at hotels and Japanese-style inns

yoyaQ.com http://yoyaq.com/ yoyaQ.com

This is a service for reserving rooms at hotels and Japanese-style inns at bargain rates, mainly for plans discounted due to last-minute cancellations or other special reasons.

◆ Restaurant Ranking and Review Site

tabelog http://tabelog.com/ 食べログ

This site provides reliable restaurant rankings by rating restaurants on a scale of one to five based on word-of-mouth and reviews collected from users who actually visited them. An information service for member restaurants is also popular.

◆Real Estate/Housing Information Website

Sumaity http://sumaity.com/ スマイティ

This site provides information on rental properties, apartments and houses for sale. Offers comprehensive reference data such as area information and loan simulations, allowing users to house-hunt tailored to individual needs.

◆Photo Community Site

PHOTOHITO http://photohito.com/ PHOTOHITO

Based on the concept "Connecting people with photos," the site provides a place for people to share their favorite photos. As the service links to Kakaku.com, which provides extensive product data on cameras and lenses, allowing users to search for cameras and lenses used to shoot photos posted on PHOTOHITO and to search for photos shot with particular cameras and lenses.

◆ Word-of-mouth Travel Site

4travel http://4travel.jp/ 4travel.jp

Based on the concept "Collaborative online travel guide," this site provides information on domestic and international travel posted by users. Services such as comparing/reviewing of hotels, tours, flights as well as travel blog service for posting travel memories on the web are all offered free of charge.

(Operated by consolidated subsidiary 4travel, Inc.)

◆ Comprehensive Movie Information Site

「eiga.com」http://eiga.com/ 映画.com

This site provides wide-ranging movie information, including information on the latest films from Hollywood and Europe, reviews by professional critics and our editorial staff, as well as reviews posted by users.

(Operated by consolidated subsidiary eiga.com, Inc.)

◆Insurance Selection Consulting Service

http://hoken.kakaku.com/ kakaku.com insurance

Offers a wide range of insurance, including life insurance, non-life insurance, car insurance, and travel insurance. Experienced and impartial consultants propose products suited to customer needs selected from a number of providers. Inquiries are welcomed via Internet, phone, or agencies.

(Operated by consolidated subsidiary Kakaku.com Insurance, Inc.)

◆ Photo Sharing App for Food

tabera http://camera.tabelog.com/ 食べラ

Unique to tabelog, this photo sharing application for food lovers is based on the concept "Sharing of everyday dining experiences." A unique image-editing function is used to enhance the visual appeal of dishes in photos shared with other users. Photos can be easily shared together with restaurant information from tabelog on Twitter or Facebook.

◆ Cooking Support Appl

recipom http://recipom.com/ レシぽん

"Link to your refrigerator" is the concept behind this cooking support app, which enables users to manage and match the contents of their refrigerators with food recipes. By registering the contents of their refrigerators, users can search for recipes that use ingredients on hand and easily plan meals by combining recipe choices.

◆ Wine Share/Management App

Vinica http://vinica.me/ vinica

This is a free camera app that allows users to share their favorite new wines with friends and record tasting reviews. Users can follow their favorite users and friends to view the wines they have tried.

◆online semi-made-to-order bra service

All For Me http://dreche.com/ All For Me

The concept is targeted at women fed up with bra shopping. Unlimited selection of designs in all sizes! *All For Me* allows women to design bras as they please by combining their preferred combination of colors and styles for each bra component..

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Company Profile

Company name	Kakaku.com, Inc.
Address	EBISU IMARK GATE, 3-5-7, Ebisu minami, Shibuya-ku, Tokyo 150-0022
Founded	December 1997
URL	http://corporate.kakaku.com/
Share Listing	The First Section of Tokyo Stock Exchange
Stock Code	2371
Related Companies	

Kakaku.com Insurance, Inc.	URL: http://hoken.kakaku.com/insurance/company.html
4travel, Inc.	URL: http://4travel.jp/
eiga.com, Inc.	URL: http://eiga.com/

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