Results Briefing for the Fiscal Year ended March 31, 2015

May 13th, 2015

Kakaku.com, Inc.

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Review of Quarterly Business Conditions

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FY3/2015 4Q Results (Quarterly)

- The operating margin excluding Time Design, was 51.1% in 4Q

(Unit: million yen)

	FY3/2014 4Q (Jan-Mar 2014)	FY3/2015 3Q (Oct-Dec 2014)	FY3/2015 4Q (Jan-Mar 2015)	QoQ	YoY
Sales	8,777	9,217	**10,052**	+9.1%	+14.5%
Operating income	4,369	4,566	**5,017**	+9.9%	+14.8%
Ordinary income	4,387	4,913	**5,010**	+2.0%	+14.2%
Net income	2,693	3,120	**3,199**	+2.5%	+18.8%
Operating margin	49.8%	49.5%	**49.9%**	+0.4pts	+0.1pts

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Full year results for FY3/2015

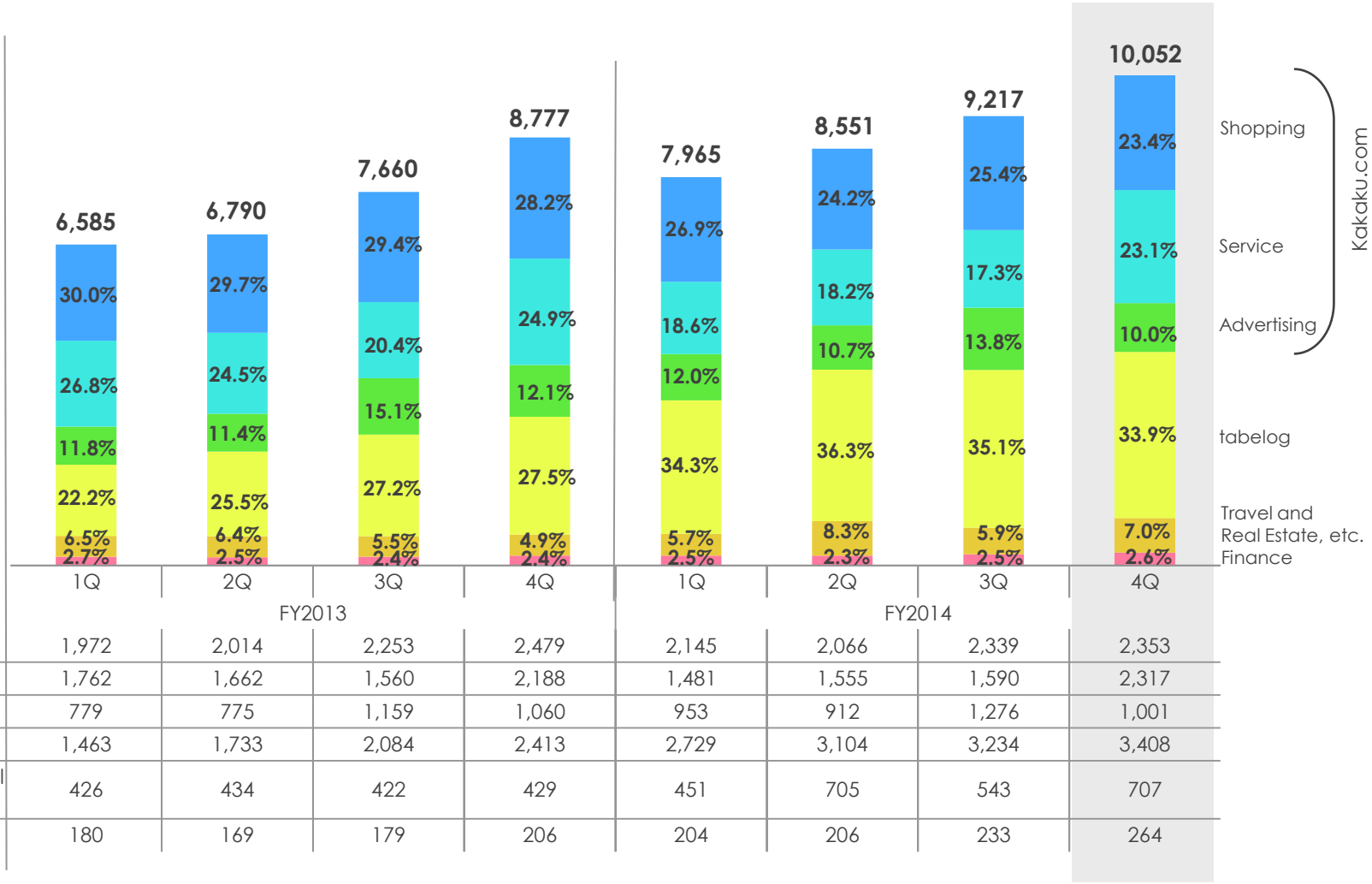
(Unit: million yen)

	FY3/2014 results	FY3/2015 results	YoY	Full-year forecast	Achievement ratio(%)
Sales	29,814	**35,787**	+20.0%	**36,500**	98.0%
Operating income	14,680	**16,808**	+14.5%	**17,300**	97.2%
Ordinary income	14,774	**17,167**	+16.2%	**17,300**	99.2%
Net income	9,066	**10,890**	+20.1%	**11,000**	99.0%
Operating margin	49.2%	**47.0%**	-2.2pts	**47.4%**	-

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Quarterly Sales by Business Category (Consolidated)

- Shopping and advertising sales were weak due to post-tax-hike consumer retrenchment, but service sales recovered briskly, driven chiefly by applicant growth in personal finance category
- tabelog's fee-paying restaurants and premium members grew robustly



Note: Amounts exclude inter-segment sales and transfers.

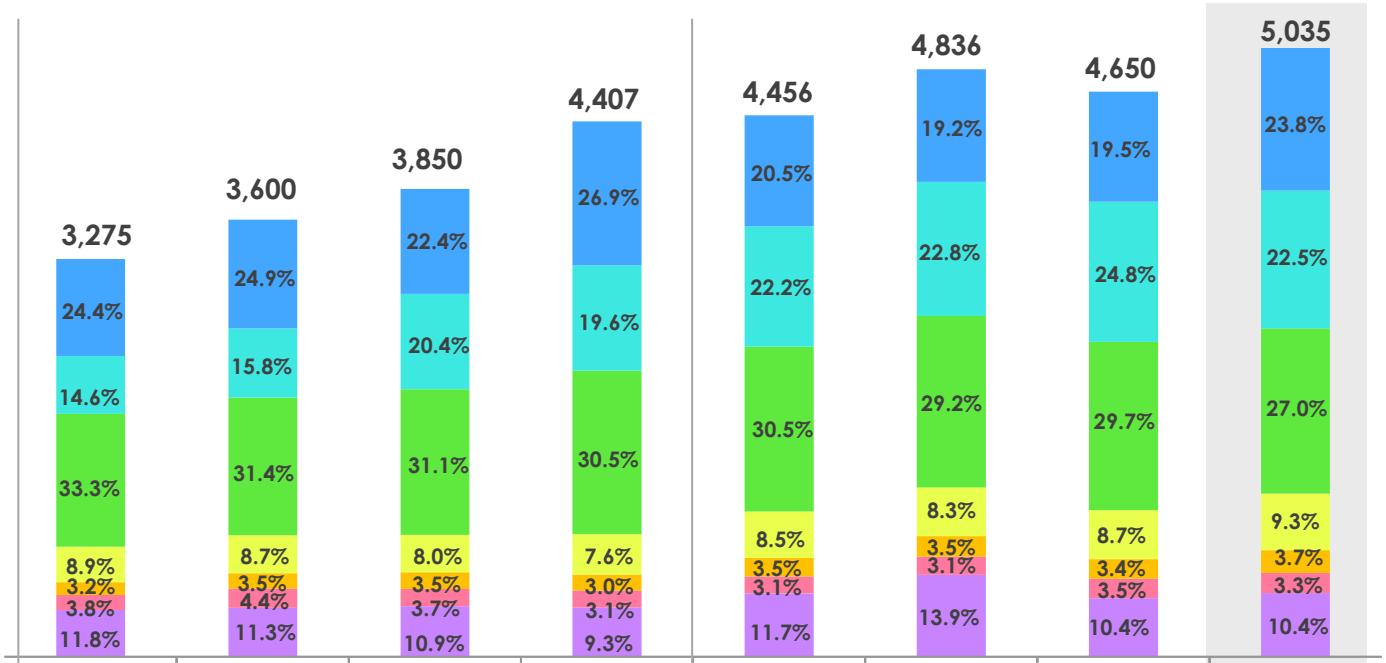
(Unit: million yen)

	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q
Shopping	1,972	2,014	2,253	2,479	2,145	2,066	2,339	2,353
Service	1,762	1,662	1,560	2,188	1,481	1,555	1,590	2,317
Advertising	779	775	1,159	1,060	953	912	1,276	1,001
Tabelog	1,463	1,733	2,084	2,413	2,729	3,104	3,234	3,408
Travel and Real Estate, etc	426	434	422	429	451	705	543	707
Finance	180	169	179	206	204	206	233	264

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Quarterly Cost Breakdown (Consolidated)

- Advertising expenses followed its usual trend of increasing the cost ratio



*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)	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q
Advertising	797	896	863	1,184	912	926	905	1,196
Comission*1	478	569	784	865	990	1,104	1,152	1,134
Personnel-related	1,091	1,131	1,198	1,346	1,356	1,411	1,383	1,358
Outsourcing	292	312	309	332	380	399	405	466
Depreciation	105	126	135	132	154	170	159	187
Rent	124	159	143	137	138	150	161	166
Other	385	403	416	407	522	673	482	524
Employee headcount*2	507(80)	532(87)	553(89)	570(90)	616(90)	639(96)	653(97)	660(97)

Jan-Mar 2015 Breakdown of "Other" expenses

- Server maintenance **¥107mn**
- TimeDesign cost of goods purchased **¥176mn**
- Goodwill amortization **¥9mn**
- Employee recruitment **¥24mn**

etc.

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Operating review by Segment

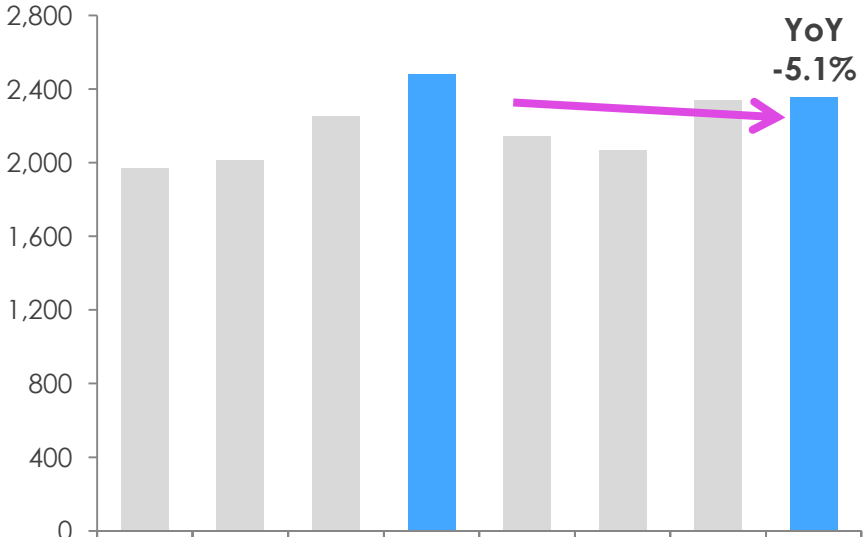
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Kakaku.com Shopping Segment

4Q Topics

- Shopping sales fell 5.1% YoY in wake of pre-tax-hike demand rush and subsequent retrenchment
- Launched price comparison service for fitness goods and wearable devices (Jan, Feb)
- Published inaugural edition of "+CLAP Men" online fashion magazine for mid 30s ～ late 40s men (Mar)
- Released new iOS and Android *Kakaku.com* apps (Mar)

Quarterly Sales Trend (million yen)



	FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Shopping	1,972	2,014	2,253	2,479	2,145	2,066	2,339	2,353

Kakaku.com app



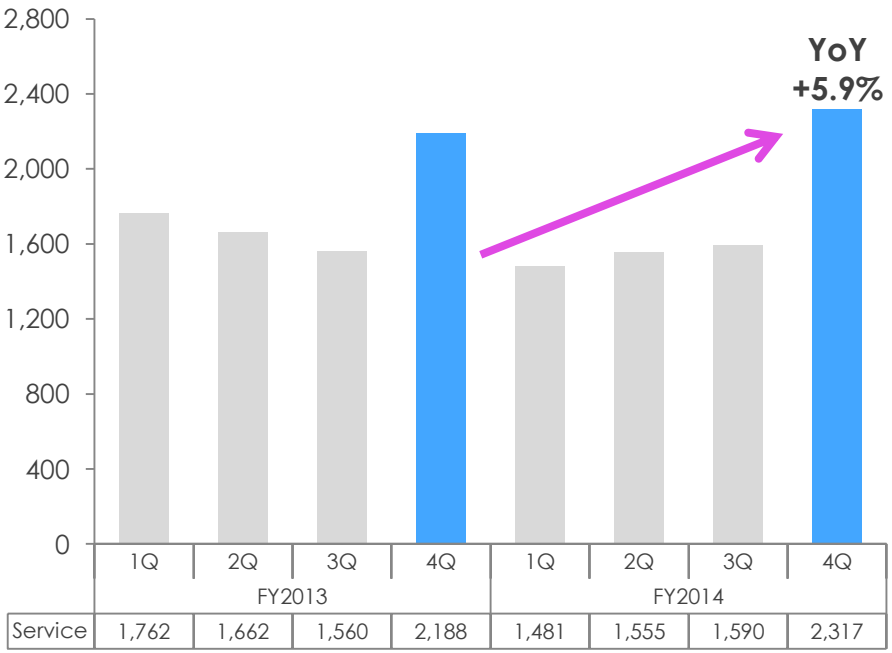
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Kakaku.com Service Segment

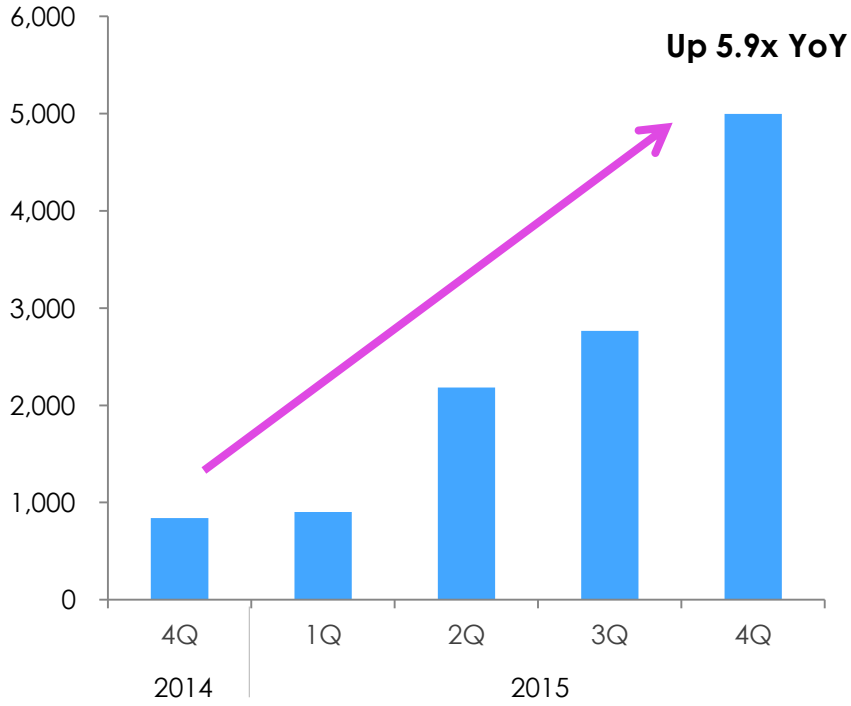
4Q Topics

- Despite decreased broadband sales, service sales grew 5.9% YoY by virtue of growth in auto insurance sales and consumer loans
- Successfully began monetizing SIM card and low-cost smartphone comparison services launched in FY3/2015
- Acquired 66.5% equity interest in webCG, Inc., in February. Launched automotive content collaboration between *webCG* and *Kakaku.com* and strengthened referral traffic links to *webCG* (WebCG, Inc., became consolidated subsidiary in April 2015)

Quarterly Sales Trend (million yen)



House mortgage applications



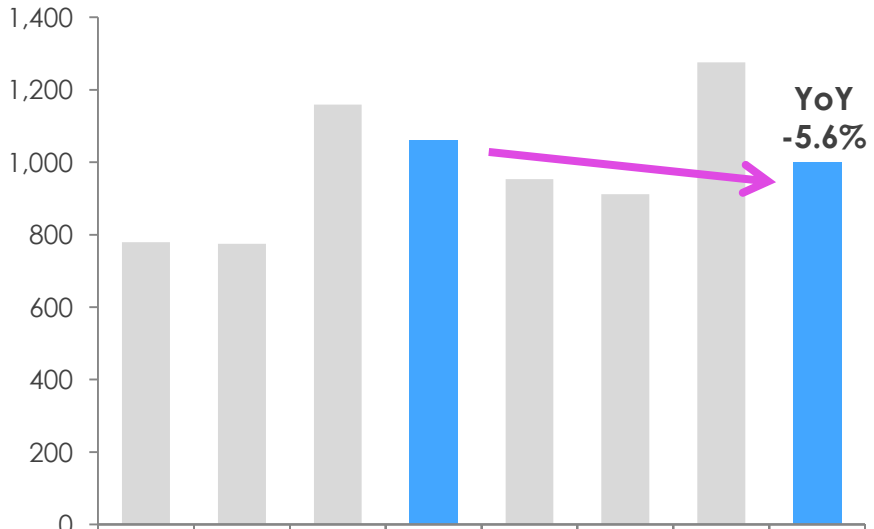
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Kakaku.com Advertising Segment

4Q Topics

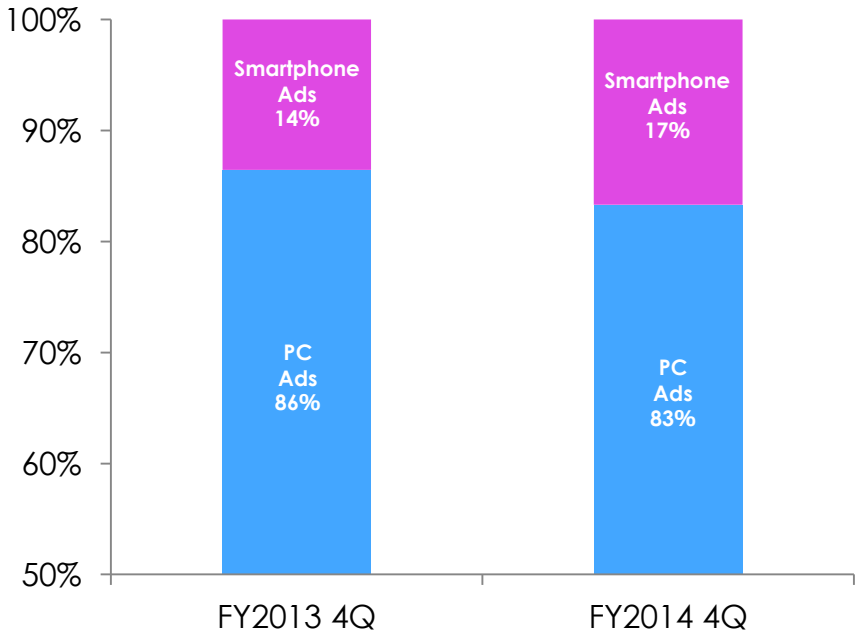
- Advertising sales were down 5.6% YoY as reflexive reaction to their pre-tax-hike surge
- Released targeted search keyword advertising products in addition to existing targeting based on search history
- Launched search-linked advertising for smartphones
- Ad placements by automotive advertisers increased

Quarterly Sales Trend (million yen)



	FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Advertising	779	775	1,159	1,060	953	912	1,276	1,001

Ad Sales Breakdown by Device



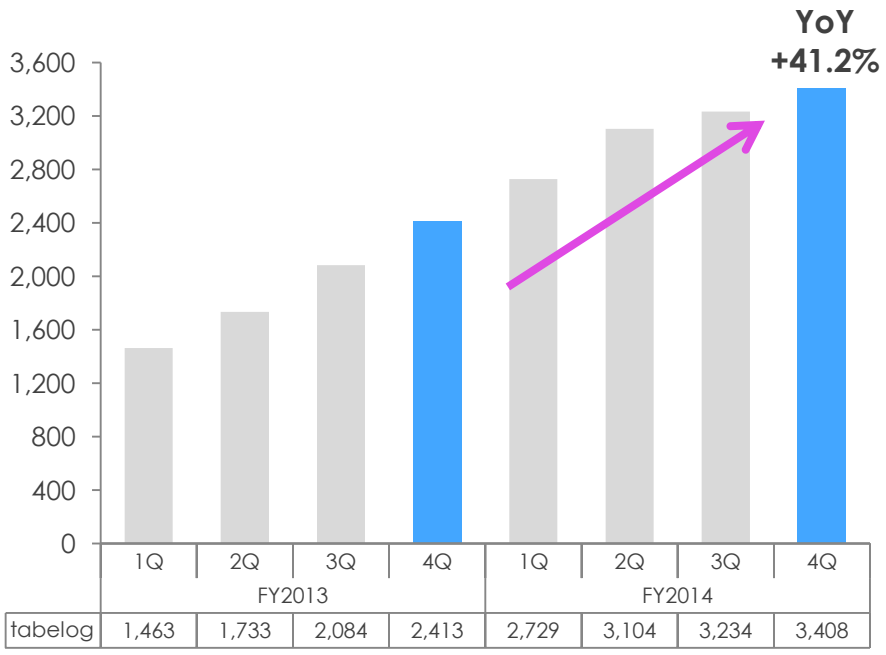
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tabelog

4Q Topics

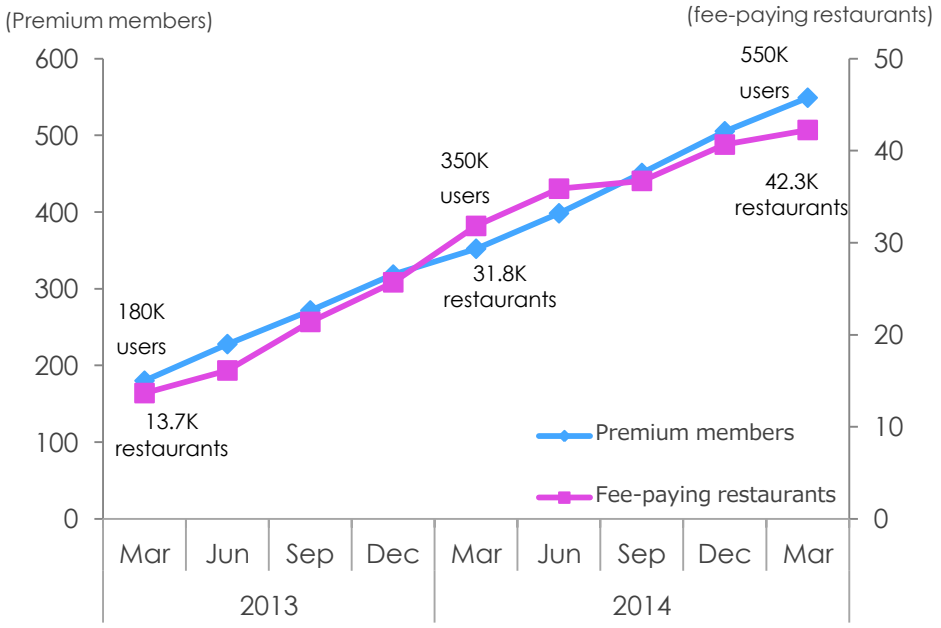
- Premium members surpassed 550,000 on cumulative basis. All-time monthly record of 268,000 users made reservations in March (Mar)
- Launched "tabelog One Coin Lunch" that allows fee-paying members to eat lunch from a limited prix fixe menu for ¥500 at any participating restaurant (Mar)
- Launched multilingual version of *tabelog* (Mar)

Quarterly Sales Trend (million yen)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2013				FY2014			
tabelog	1,463	1,733	2,084	2,413	2,729	3,104	3,234	3,408

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



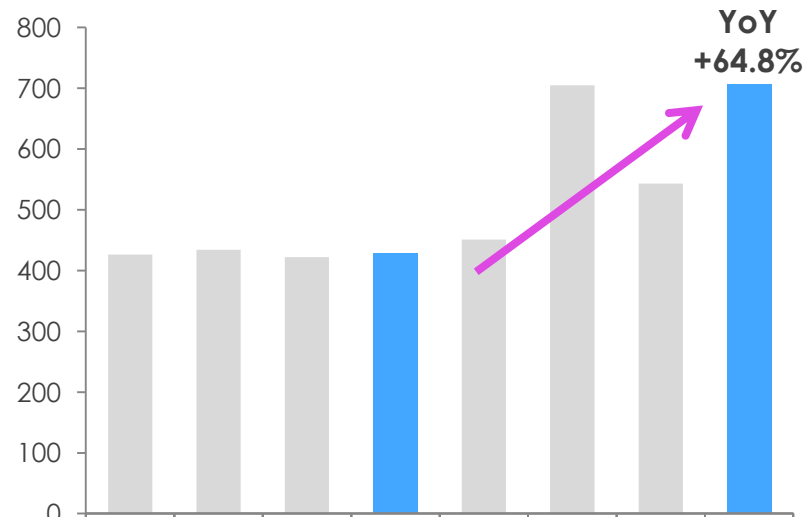
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Travel and Real Estate and other businesses

4Q Topics

- Sales related to travel and real estate grew a hefty 64.8% YoY as result of strong growth in travel-related sales
- Redesigned Time Design's dynamic package landing page (Jan)
- *4travel* users surpassed 8.65 million, up 39.8% YoY, in March
- *eiga.com* iOS app upgraded to provide user-friendlier movie and theater searches (Feb)

Quarterly Sales Trend (million yen)



	1Q FY2013	2Q FY2013	3Q FY2013	4Q FY2013	1Q FY2014	2Q FY2014	3Q FY2014	4Q FY2014
Tracel and Real Estate, etc.	426	434	422	429	451	705	543	707

Upgraded *eiga.com* iOS app



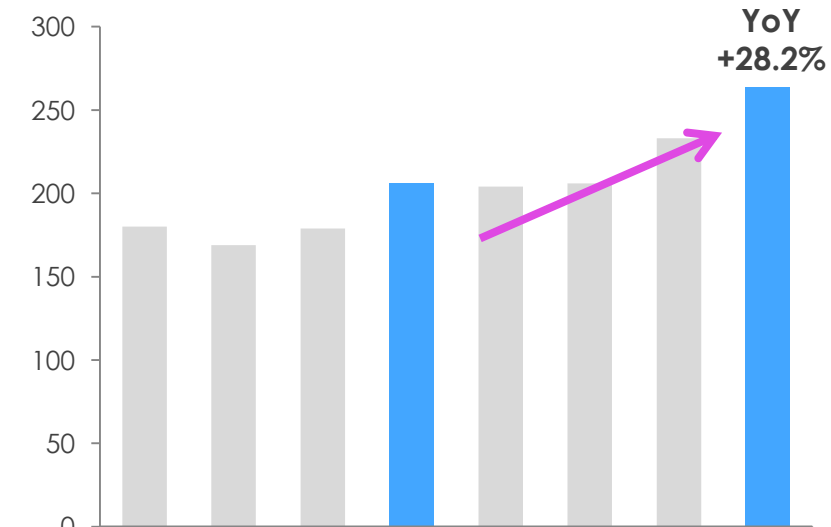
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Finance Segment

4Q Topics

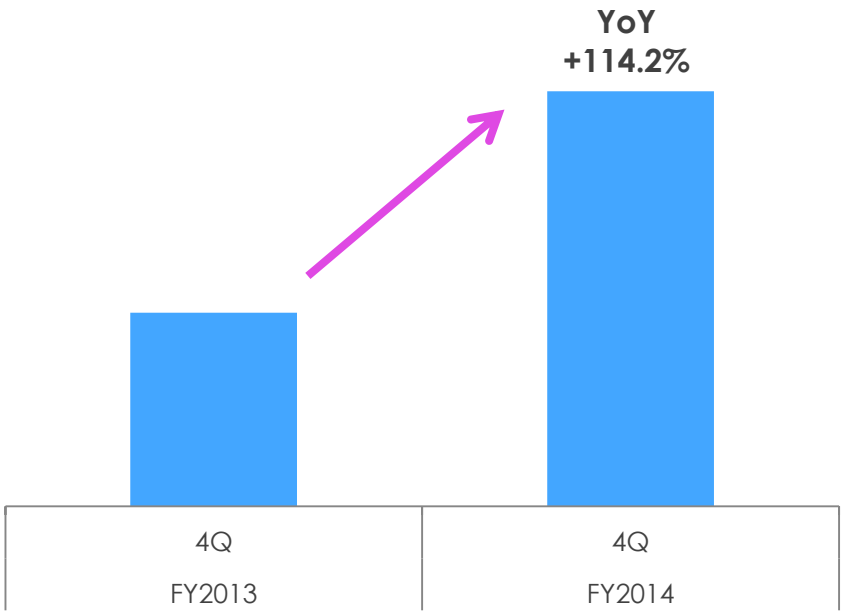
- Insurance policies sold through entirely online application process and mail-order sales channel increased sharply
- "Kakaku.com Insurance" announced "Kakaku.com Insurance Award" winners by sales channel (Apr). Winners were insurance products most popular among users throughout 2014

Quarterly Sales Trend (million yen)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2013				FY2014			
Finance	180	169	179	206	204	206	233	264

Number of contracts for Online Registration Insurance



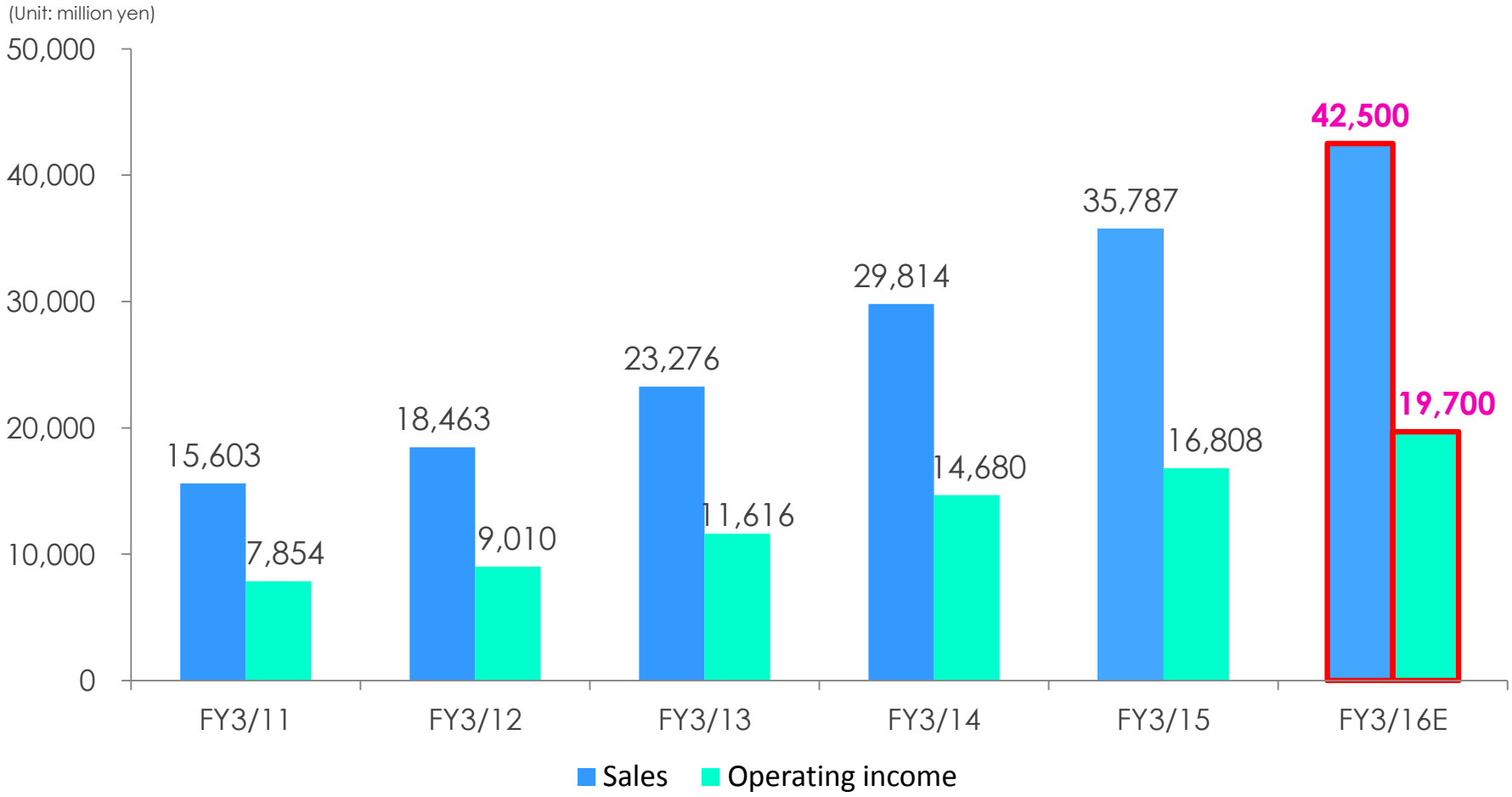
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FY3/2016 Outlook

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FY3/2016 earnings forecast

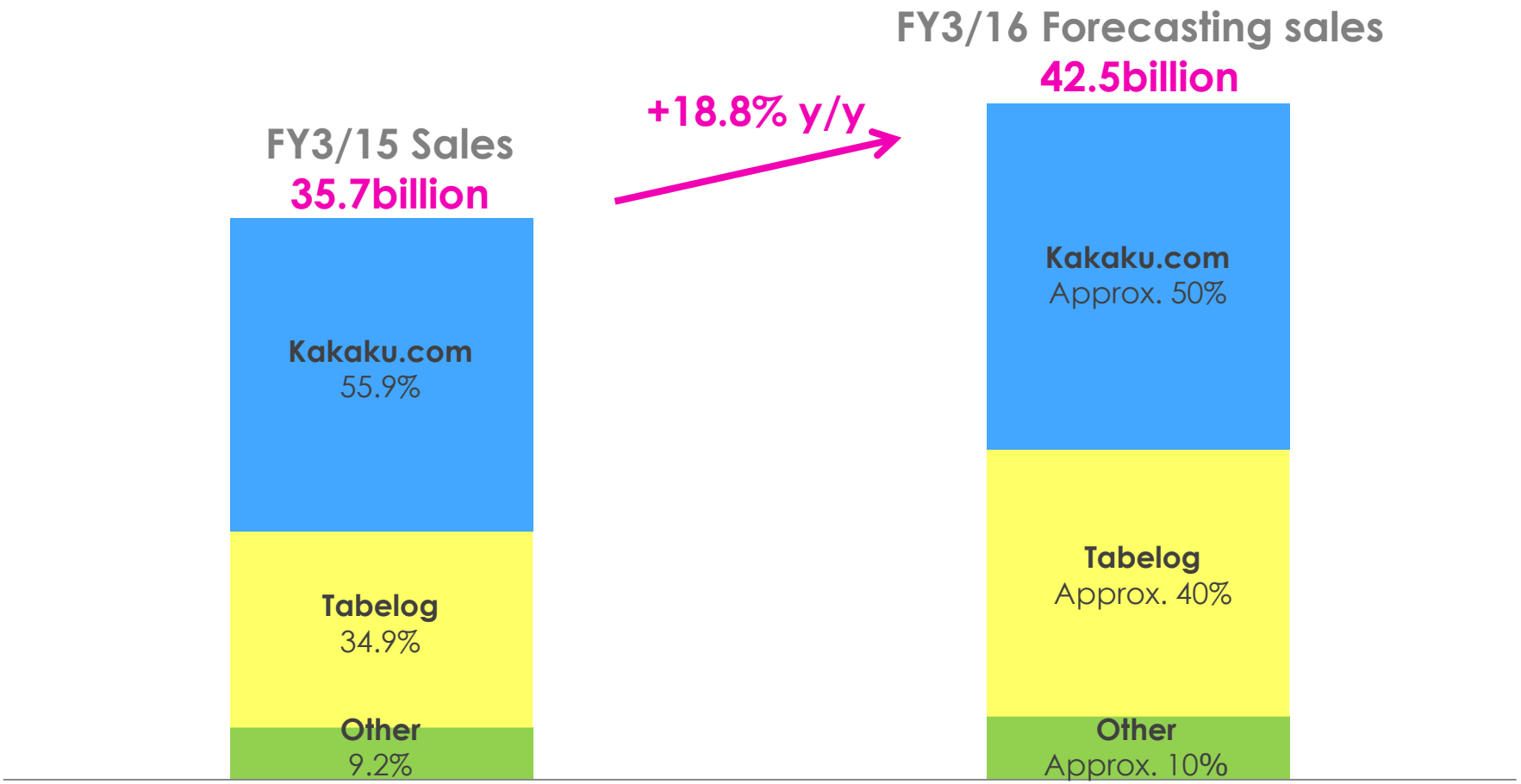
- Forecasting sales growth of nearly 20% driven by recovery in *Kakaku.com* sales and growth in travel and real estate businesses' sales
- Forecasting operating income growth on a par with sales growth despite operating margin shrinkage stemming from expansion of *tabelog* and Time Design
- Aiming to distribute **35%** of consolidated net income as dividends in FY3/2016



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Projected FY3/2016 sales breakdown

- Forecasting sales growth again driven chiefly by *tabelog* and travel and real estate services



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Priorities in FY3/2016

Augment smartphone content

Grow earnings from the Third Pillar

Continue to cultivate new businesses

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Augmentation of smartphone content (Kakaku.com)

- Planning to increase offerings of goods that smartphone users are seeking and increase services' user-friendliness in response to growth in users who access Kakaku.com mainly by smartphone

Kakaku.com app

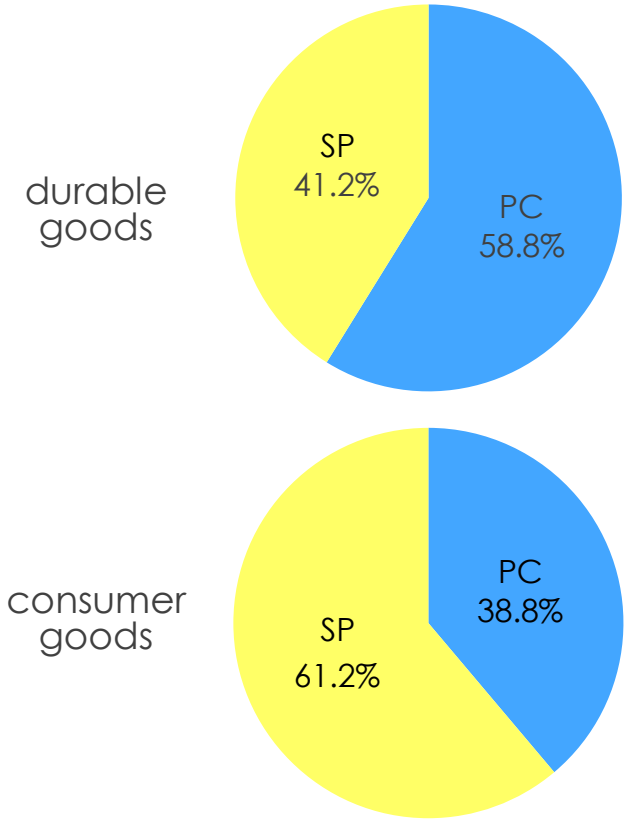
Barcode search



Push notifications



Breakdown of consumer goods and durable goods page views by device type



With smartphones accounting for most consumer goods page views, will continue to strengthen consumer goods categories

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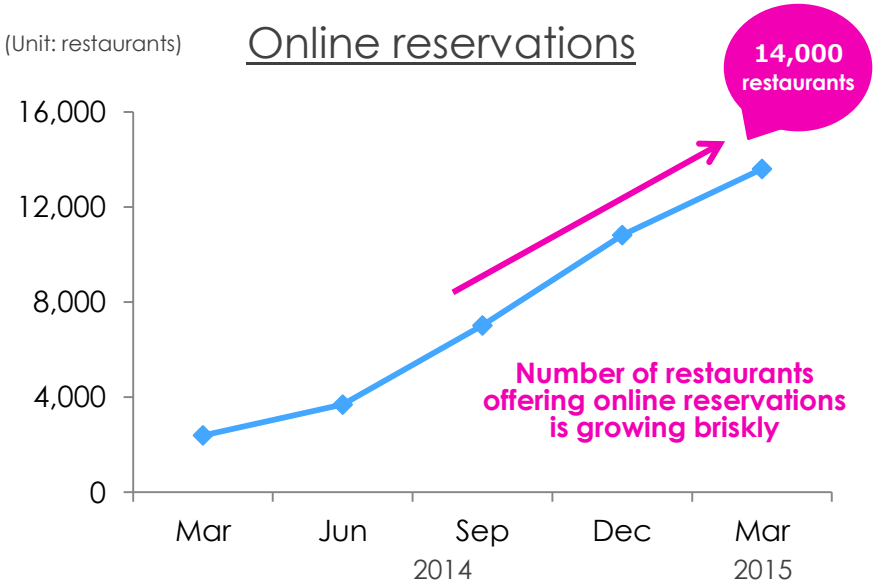
Augmentation of smartphone content (tabelog)

- Increase number of restaurants offering tabelog One Coin Lunch
- Continue to increase number of restaurants offering online reservations; and provide services popular among users

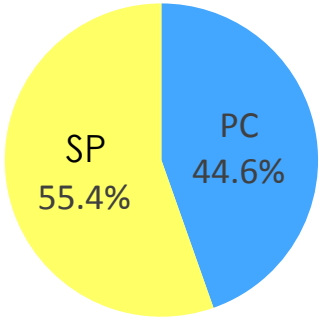
tabelog One Coin Lunch



Online reservations



Breakdown of online reservations by device type



Most reservations are made via smartphone

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Grow earnings from the Third Pillar (travel services)

- Focusing on user growth of *4travel* as well as increasing number of reservation through Time Design

Kakaku.com Group's travel service assets

Travel magazine domain

4travel.jp

Collaborative online travel guide

Travel agency domain

yoyaQ.com

Website for last-minute discounts on hotels and Japanese-style ins

Hotel domain

Time Design

Dynamic travel packages sourced from hotels and airlines' official websites

→

Prospective travelers
10 million
(4travel UU)

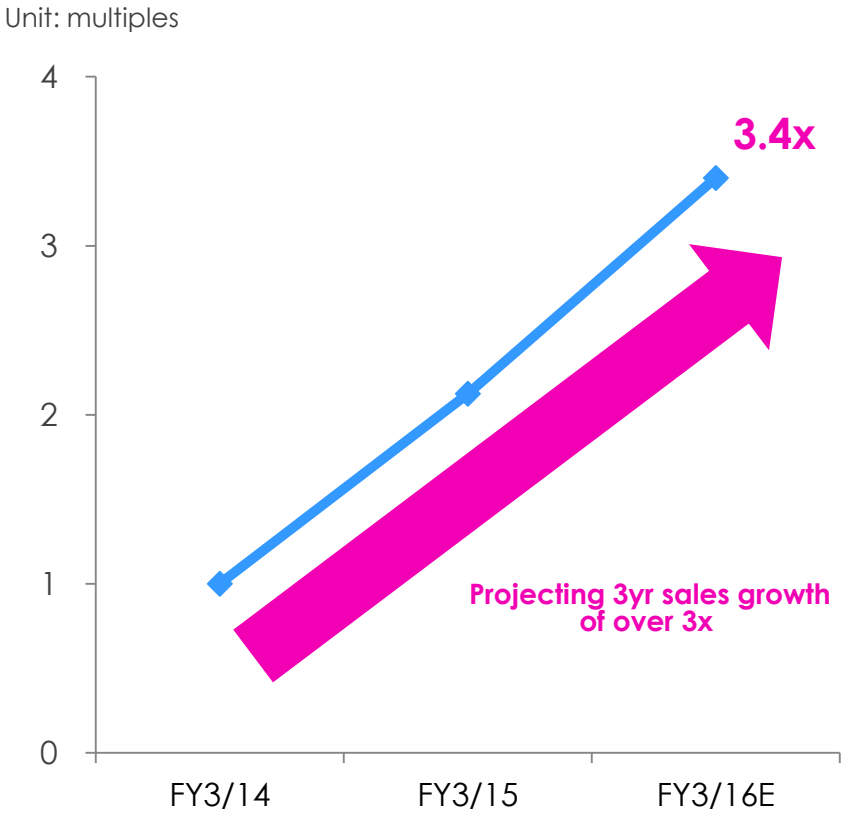
Participating hotels
7,600 properties
(yoyaQ + Time Design)

Airlines
13 carriers
(Time Design)

Other
peripheral services
(e.g., car rental)

Three-tier travel business will continue to draw in many stakeholders related to travel business

Travel-related sales



Major growth in travel-related sales, including *4travel*, Time Design & *yoyaQ.com*

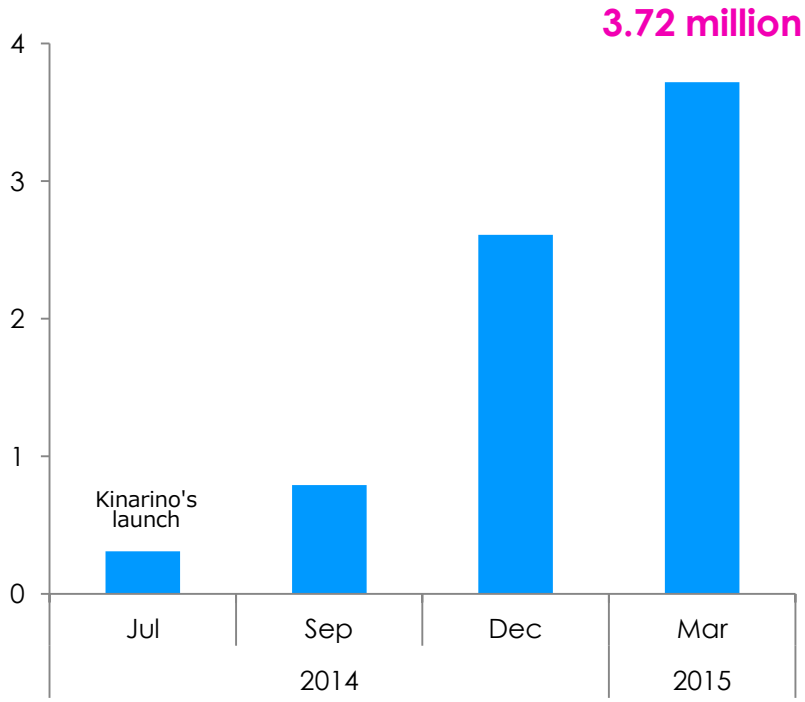
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New businesses (Domestic & Overseas)

- Focusing on user growth while developing new monetization strategies
- Will continue to develop new services in existing businesses and expand into new domains

Kinarino

Unit: million people

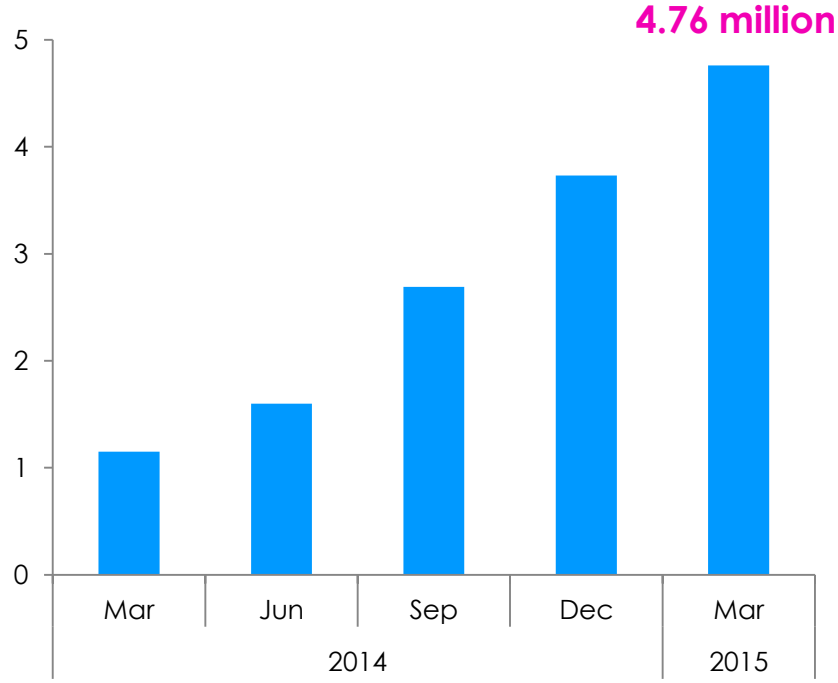


Kinarino users are rapidly increasing

Commenced advertorial sales also

Priceprice

Unit: million people



Steady growth in users in all 3 countries: Indonesia, Philippines and Thailand

Will work on monetizing *Priceprice* in FY3/2016

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Reorganization

Organization by business unit (through FY3/2015)

- Organizational segmentation by business unit expedited decision-making and accelerated growth

Organization by function (from FY3/2016)

- Consolidation of organizational units by function will facilitate flexible and more efficient reallocation of management resources among business and free up resources to undertake new challenges

Aspiring to be an organization capable of further expediting innovation

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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, Sumaity, and Time Design
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	50.53mn
(PC)	28.42mn
(Smartphone)	21.71mn
(Feature phone)	0.40mn
Total page views per month	936.58mn PV

(as of end of Mar. 2015)



(Opened in May. 1997)

Restaurant ratings and review site

tabelog

食べログ

Users per month	68.59mn
(PC)	25.85mn
(Smartphone)	41.84mn
(Feature phone)	0.91mn
Total page views per month	1,684.93mn PV

(as of end of Mar. 2015)



(Opened in Mar. 2005)

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Access Status of Other Major Sites

User-generated travel guide
4travel

Users per month	8.65mn
(PC)	3.87mn
(Smartphone)	4.71mn
(feature phone)	0.07mn
Total page views per month	54.96mn PV

(as of end of Mar. 2015)



(Acquired in Jan. 2005)

Movie discovery platform
eiga.com

Users per month	10.12mn
(PC)	3.17mn
(Smartphone)	6.76mn
(feature phone)	0.19mn
Total page views per month	72.36mn PV

(as of end of Mar. 2015)



(Acquired in Apr. 2007)

Online residential estate portal
Sumaity

Users per month	1.62mn
(PC)	0.92mn
(Smartphone)	0.69mn
(feature phone)	0.01mn
Total page views per month	12.31mn PV

(as of end of Mar. 2015)



(Opened in Sept. 2008)

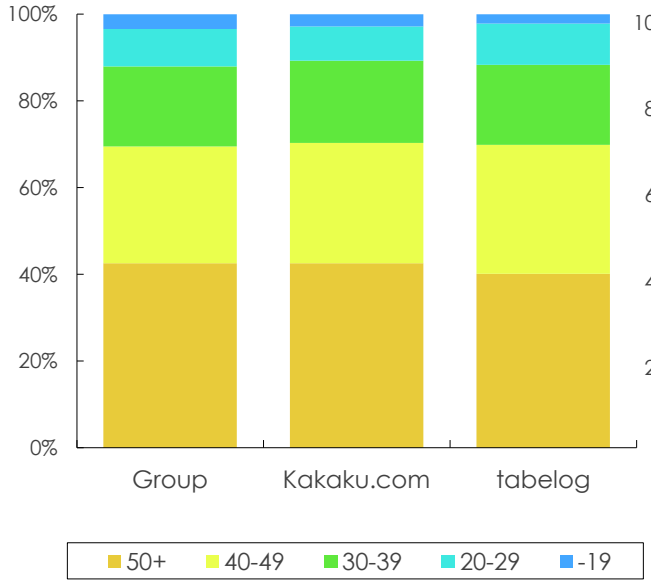
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Operated Website User Profile

- 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

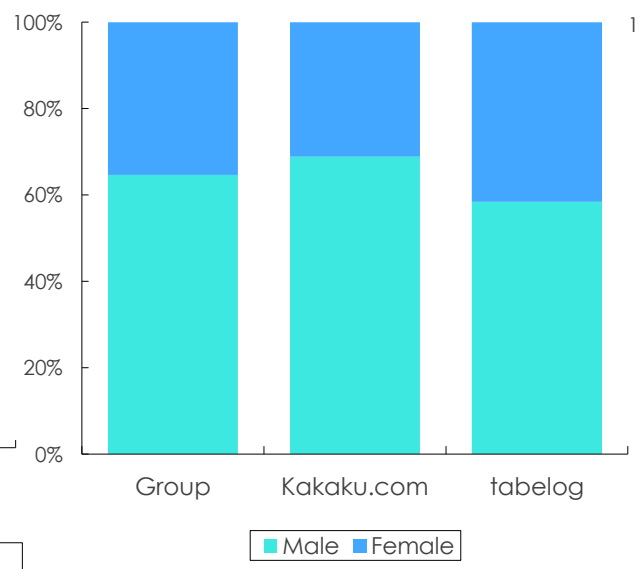
Users Age 30 and Over: Approx. 80%

Age Distribution



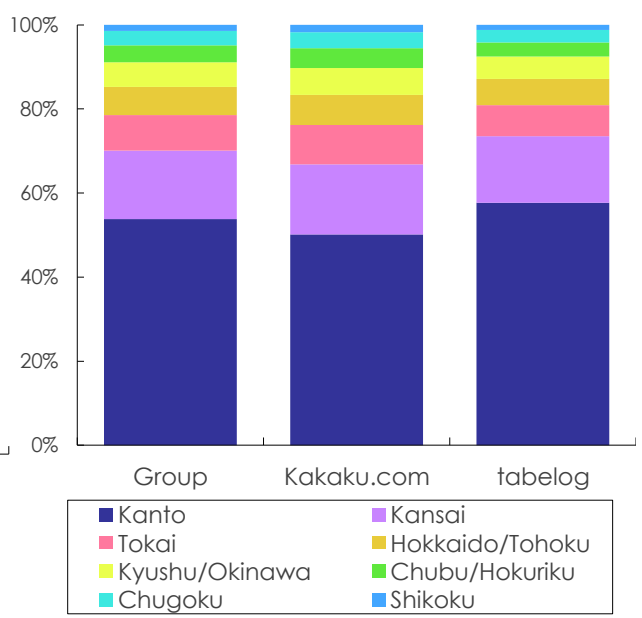
Male Users: Approx. 60%

Male-Female Ratio



Kanto Area Residents: Approx. 50%

Area of Residence

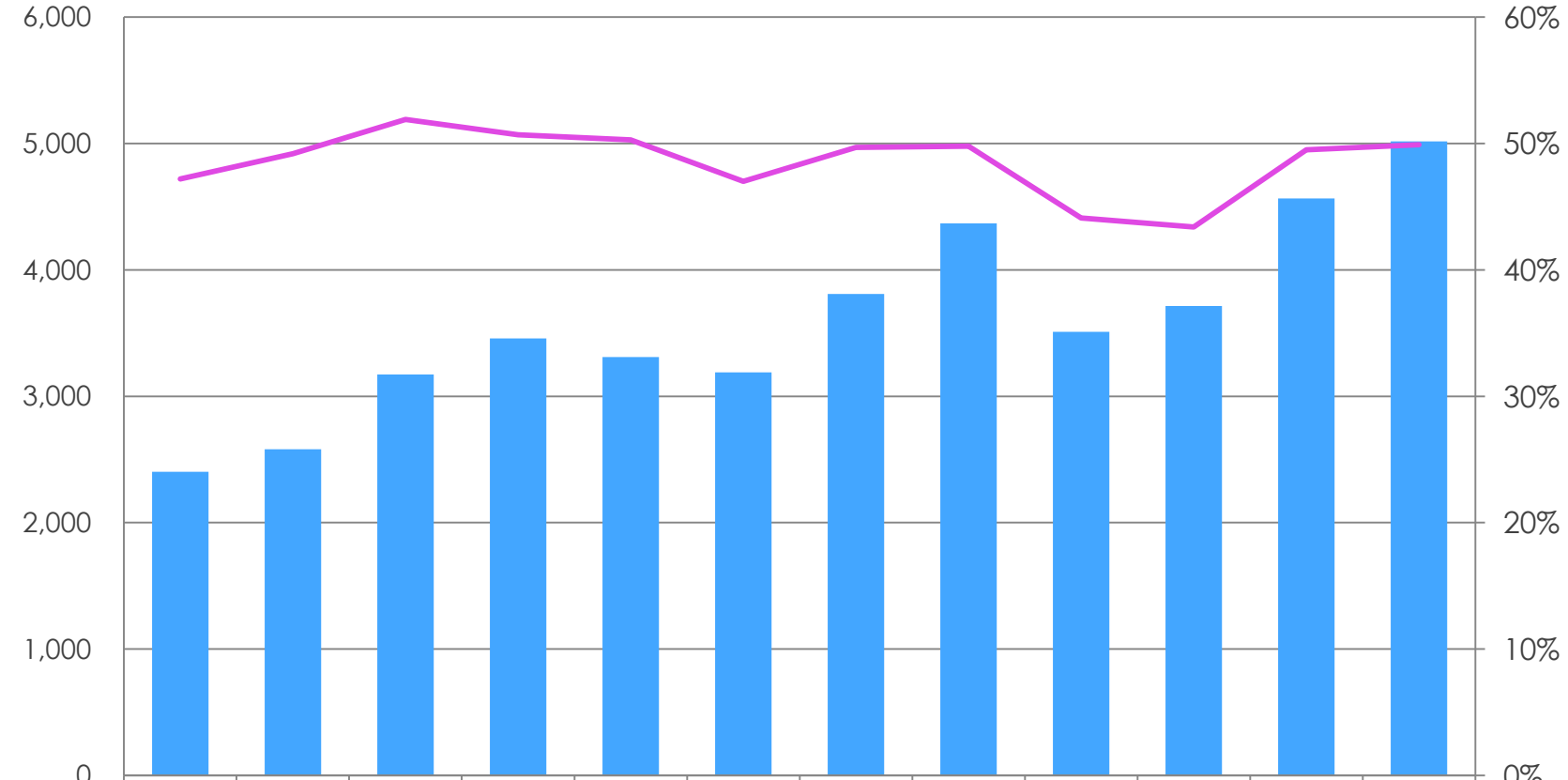


Age distribution and male-female ratio: Excerpted from a Nielsen Online Mar 2015 study (Home & Work Data)
Area of residence: Kakaku.com internal data (Mar 2015 survey)

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Operating Income by Quarter (Consolidated)

(Unit: million yen,%)



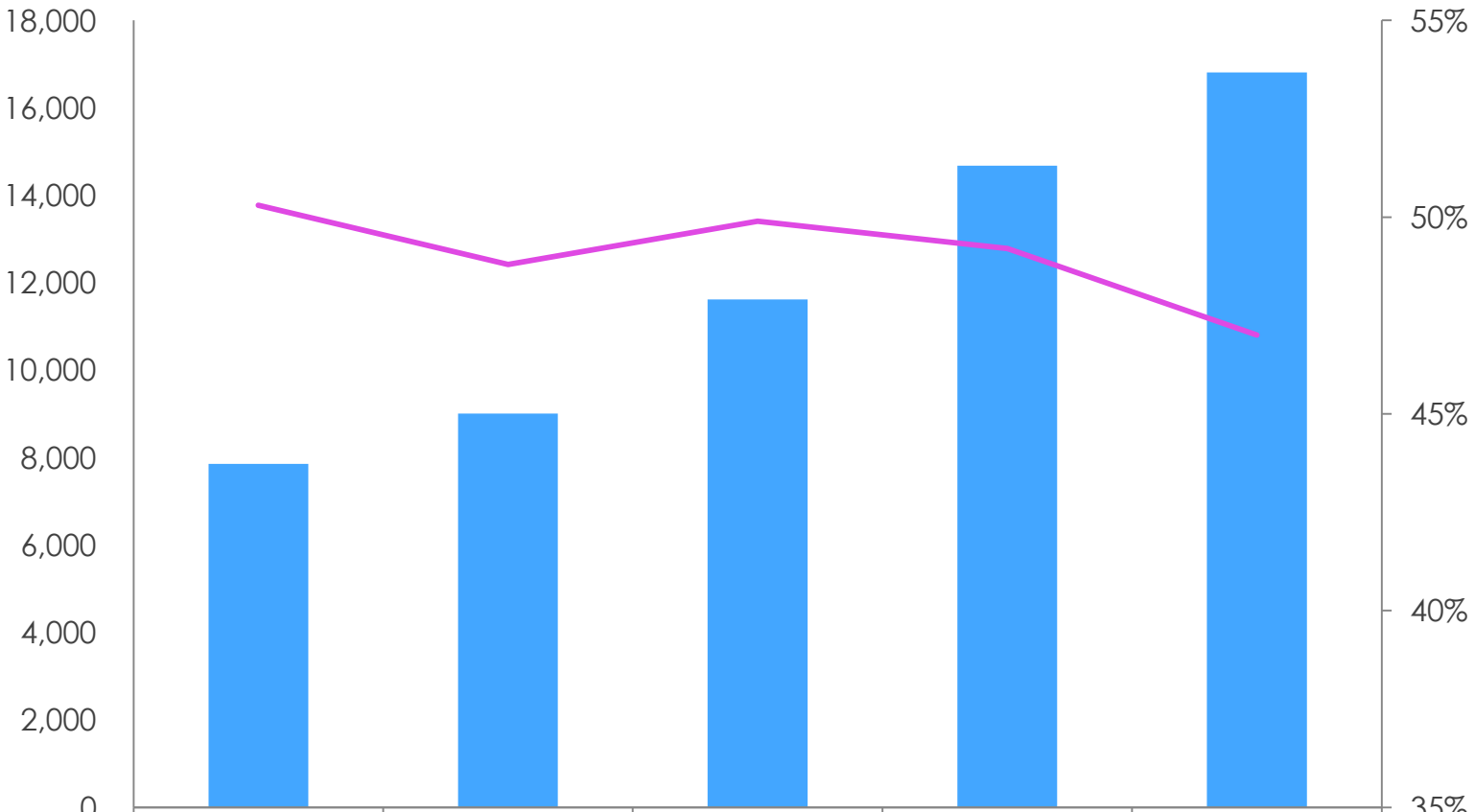
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2012				FY2013				FY2014			
Operating Income	2,402	2,581	3,173	3,458	3,310	3,189	3,810	4,369	3,509	3,715	4,566	5,017
Operating margin	47.2%	49.2%	51.9%	50.7%	50.3%	47.0%	49.7%	49.8%	44.1%	43.4%	49.5%	49.9%

※Tabelog Inc. and Time Design Co., Ltd., are included in consolidated accounts from FY3/2015 1Q

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Operating Income by Fiscal Year (Consolidated)

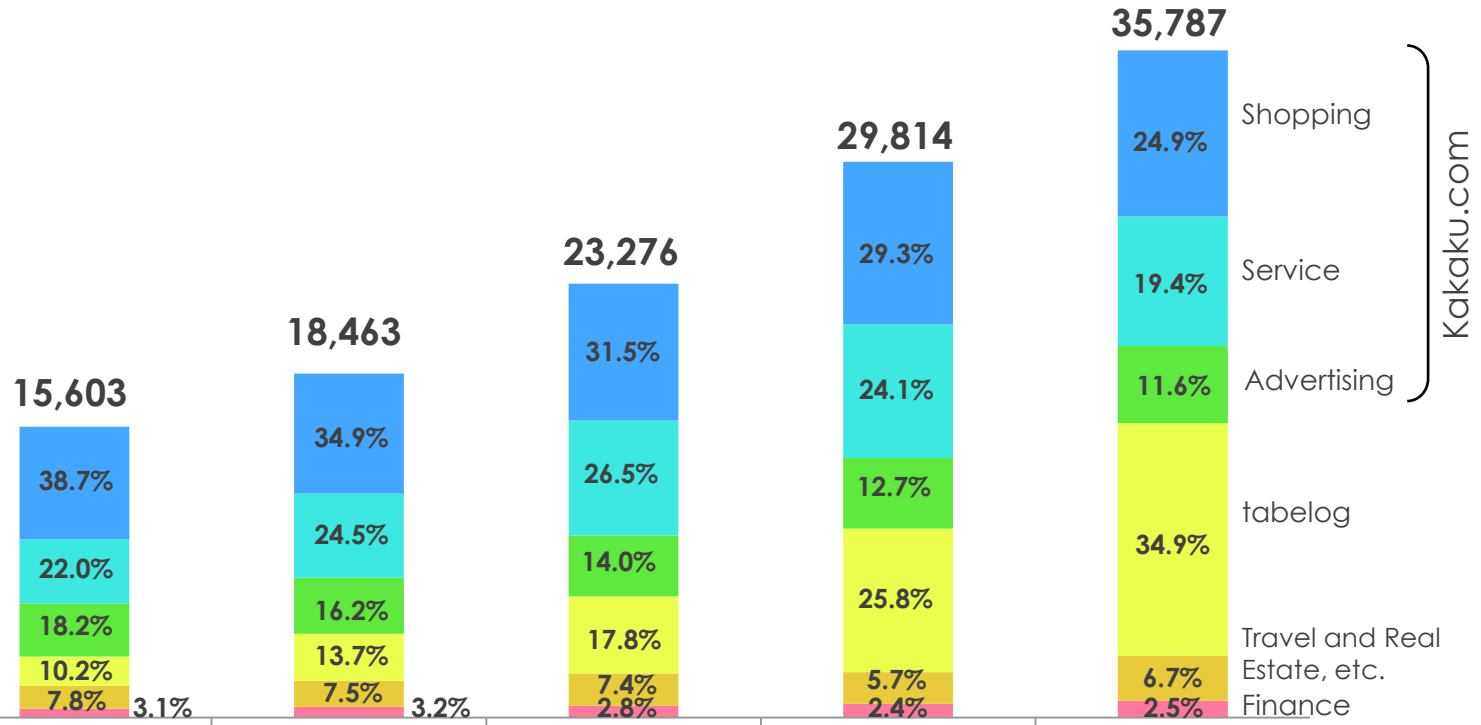
(Unit: million yen,%)



	FY2010	FY2011	FY2012	FY2013	FY2014
Operating Income	7,854	9,010	11,616	14,680	16,808
Operating margin	50.3%	48.8%	49.9%	49.2%	47.0%

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Sales Contribution by Business by Fiscal Year (Consolidated)



Note: Amounts exclude inter-segment sales and transfers.

(Unit: million yen,%)

	FY2010	FY2011	FY2012	FY2013	FY2014
Shopping	6,043	6,445	7,342	8,721	8,904
Service	3,426	4,520	6,160	7,173	6,944
Advertising	2,848	2,988	3,269	3,774	4,144
Tabelog	1,584	2,539	4,136	7,695	12,476
Travel and Real Estate, etc	1,213	1,384	1,726	1,712	2,408
Finance	487	585	641	735	909

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Services Provided by the Kakaku.com Group

◆Customer Purchasing Support Site Kakaku.com
This site provides price, product, and word-of-mouth information on various products and services.

◆Restaurant Ranking and Review Site tabelog
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.

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

◆Photo Community Site PHOTOHITO
Based on the concept "Connecting people with photos," the site provides a place for people to share their favorite photos.

◆Word-of-mouth Travel Site 4travel
Based on the concept "Collaborative online travel guide," this site provides information on domestic and international travel posted by users.
(Operated by consolidated subsidiary 4travel, Inc.)

◆Comprehensive Movie Information Site eiga.com
This site provides wide-ranging movie information reviews by professional critics and our editorial staff, as well as reviews posted by users.
(Operated by consolidated subsidiary eiga.com, Inc.)

◆Real Estate/Housing Information Website Sumaity
This site provides information on rental properties, apartments and houses for sale.

◆Insurance Selection Consulting Service Offers a wide range of insurance, including life insurance, non-life insurance, car insurance, and travel insurance. (Operated by consolidated subsidiary Kakaku.com Insurance, Inc.)

◆Cooking Support App recipom
"*Recipom* is a free app that supports daily meal preparation. It allows users to easily and confidently search over 80,000 delicious recipes provided by professionals.

◆Wine Share/Management App Vinica
This is a free camera app that allows users to share their favorite new wines with friends and record tasting reviews.

◆Online semi-made-to-order bra service All For Me
All For Me allows women to design bras as they please by combining their preferred combination of colors and styles for each bra component.

◆Customer purchasing support site for non-Japan Asia Priceprice.com
Priceprice.com serves the Philippines, Thailand and Indonesia based on the "Enjoy Smart Shopping" concept. It provides user reviews and pricing and product information on products.

◆Tabélog
Modeled after the tabelog site for the Japanese market, TABElog is tailored to the US market with a fresh design and leading-edge functionality.

◆Kinarino
Kinarino provides a full range of lifestyle information on topics such as fashion, household goods and food based on a theme of "beautiful and gentle lifestyle."

◆Dynamic package reservation system
Consolidated subsidiary Time Design provides a dynamic package reservation system that enables users to purchase airline tickets and reserve hotel rooms via airlines and hotels' official websites.

◆webCG, daily must-visit site for car lovers
Launched in 1998 as the online version of the automobile magazine CAR GRAPHIC, webCG is an old-school online magazine for car lovers. Enjoyably provides in-depth, reader-friendly information mainly on new models. (Operated by consolidated subsidiary webCG, Inc.)

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Company Profile

- Company name: Kakaku.com, Inc.
- Address: DIGITAL GATE BUILDING, 3-5-7, Ebisu minami, Shibuya-ku, Tokyo 150-0022
- Founded: December 1997
- URL: http://corporate.kakaku.com/?lang=en
- 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/
Time Design Co. Ltd.	URL: http://www.timedesign.co.jp/
Tabélog, Inc.	URL: http://www.tabelog.us/
webCG, Inc.	URL: http://www.webcg.net/

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