kakaku.com

Results Briefing for the First Quarter of the Fiscal Year ending March 31, 2016

Aug 5th, 2015

Kakaku.com, Inc.

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Summary

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FY3/2016 1Q highlights

Kakaku.com	Domestic	Consumption of consumer goods grew briskly despite weak consumption of durable goods. Auto insurance and personal finance categories remained strong.
	Overseas	*Priceprice.com*'s unique users grew strongly, reaching 5.3mn. It is ranked No. 1 in the Philippines by number of users, Starting to explore monetization.
tabelog	Domestic	Fee-paying restaurants' ARPU was flat, but number of restaurants grew robustly. Acquisition of fee-paying users accelerated in response to launch of *dgourmet* ®.
	Overseas	*Tabélog* is steadily accumulating reviewers. It is expanding in Ohio, Texas and Florida as priority markets.
New Media		*webCG* has joined the Kakaku.com Group. *4travel* and Time Design's traffic and reservations are growing.
Finance		Fire insurance policy sales continue to grow. Online insurance sales are buoyant.

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FY3/2016 1Q Results (Quarterly)

(Unit: million yen)

	FY3/2015 1Q (Apr-Jun 2015)	FY3/2016 1Q (Apr-Jun 2015)	YoY	Half-year Forecast	Progress relative to forecast	Full-year forecast	Progress relative to forecast
Sales	7,965	**9,327**	+17.1%	**19,000**	49.1%	**42,500**	21.9%
Operating income	3,509	**4,276**	+21.9%	**8,350**	51.2%	**19,700**	21.7%
Ordinary income	3,508	**4,297**	+22.5%	**8,350**	51.5%	**19,700**	21.8%
Net income attributable to shareholders of the parent company	2,220	**2,939**	+32.4%	**5,570**	52.8%	**13,131**	22.4%
Operating margin	44.1%	**45.9%**	+1.8pts	**43.9%**	-	**46.4%**	-

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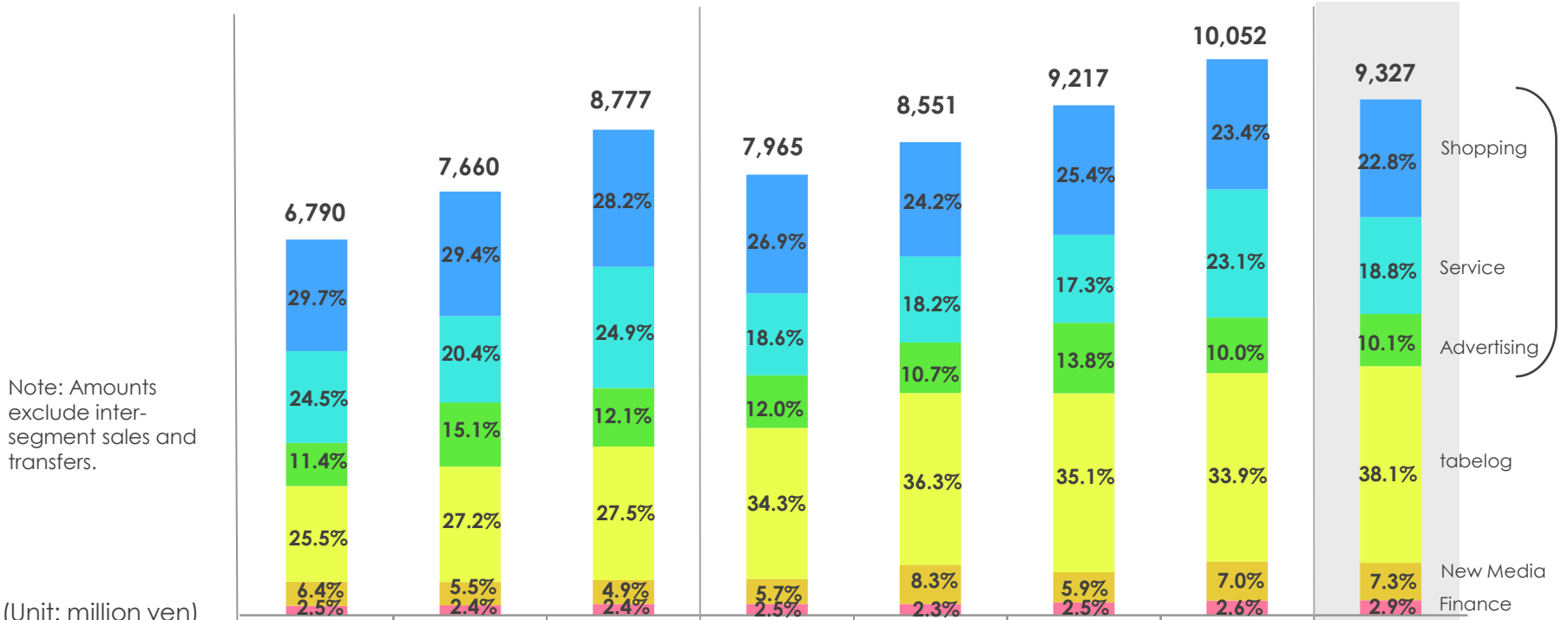
Quarterly Sales by Business Category (Consolidated)



Note: Amounts exclude inter-segment sales and transfers.

(Unit: million yen)

	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	FY2013			FY2014				FY2015
Shopping	2,014	2,253	2,479	2,145	2,066	2,339	2,353	2,130
Service	1,662	1,560	2,188	1,481	1,555	1,590	2,317	1,750
Advertising	775	1,159	1,060	953	912	1,276	1,001	941
Tabelog	1,733	2,084	2,413	2,729	3,104	3,234	3,409	3,556
New Media	434	422	429	451	705	543	705	676
Finance	169	179	206	204	206	233	264	270

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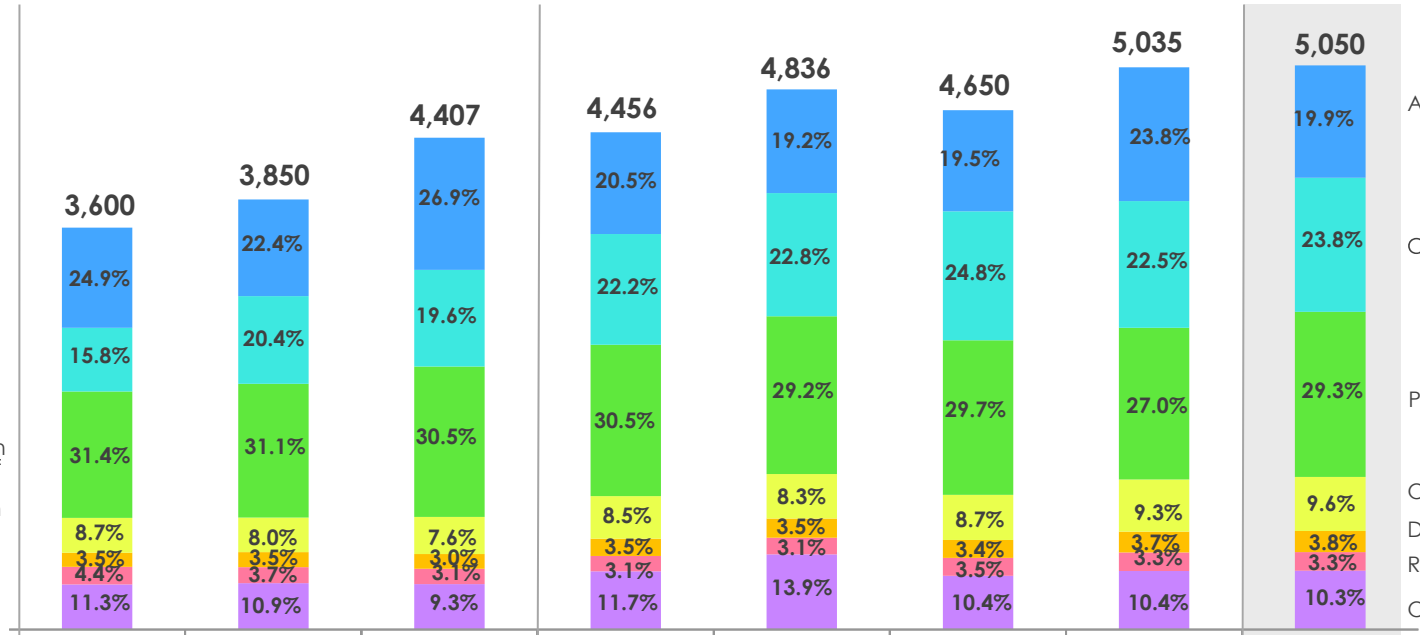
Quarterly Cost Breakdown (Consolidated)



*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)	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	FY2013			FY2014				FY2015
Advertising	896	863	1,184	912	926	905	1,196	1,005
Comission*1	569	784	865	990	1,104	1,152	1,134	1,199
Personnel-related	1,131	1,198	1,346	1,356	1,411	1,383	1,358	1,478
Outsourcing	312	309	332	380	399	405	466	483
Depreciation	126	135	132	154	170	159	187	189
Rent	159	143	137	138	150	161	166	167
Other	403	416	407	522	673	482	524	527
Employee headcount*2	532(87)	553(89)	570(90)	616(90)	639(96)	653(97)	660(97)	689(99)

Apr-Jun 2015 Breakdown of "Other" expenses

- Server maintenance **¥98mn**
- TimeDesign cost of goods purchased **¥170mn**
- Goodwill amortization **¥6mn**
- Employee recruitment **¥29mn**

etc.

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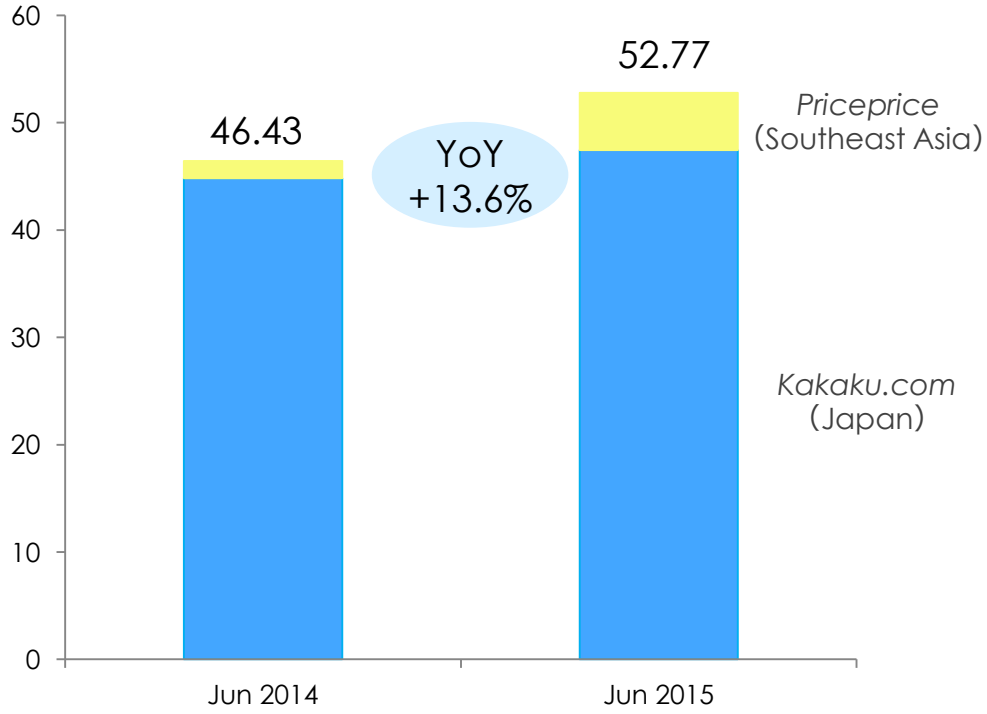
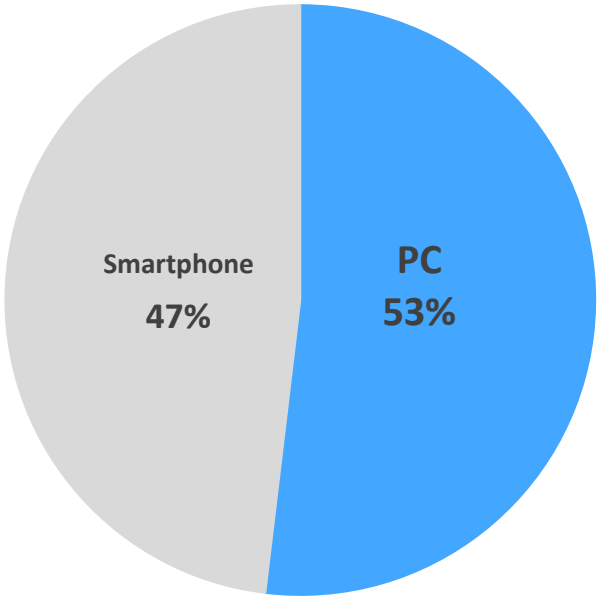
Kakaku.com-related businesses' usership

- Including *Priceprice*, *Kakaku.com*-related businesses' users grew a hefty 13.6% YoY
- Smartphone users in particular grew dramatically

Domestic and overse as monthly unique users (in millions)



Domestic and overse as monthly unique users Breakdown by device(%)



*Monthly users are defined as the number of visitors to the site, not the cumulative number of visits, per month. Visitors who visit the site multiple times within a month are counted as a single user.

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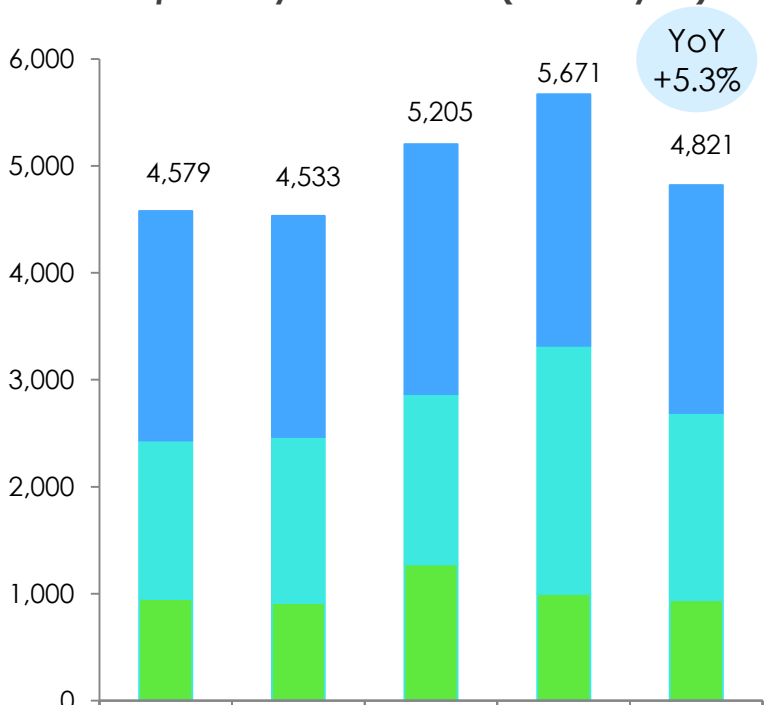
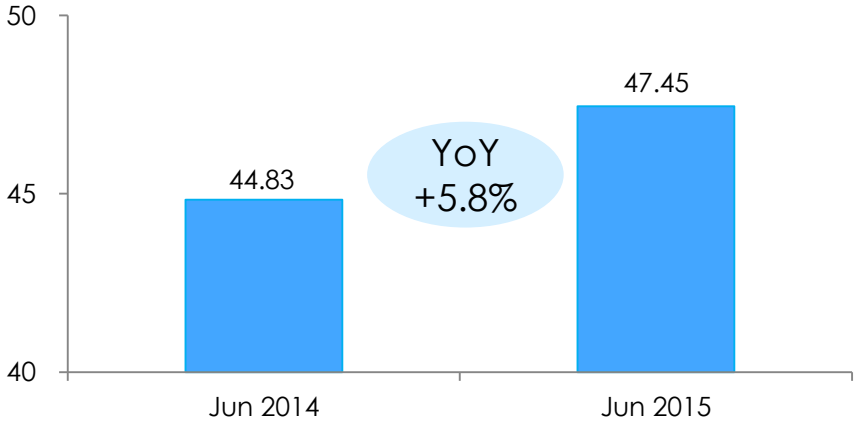
Businesses' progress

Kakaku.com quarterly Sales Trend (million yen)

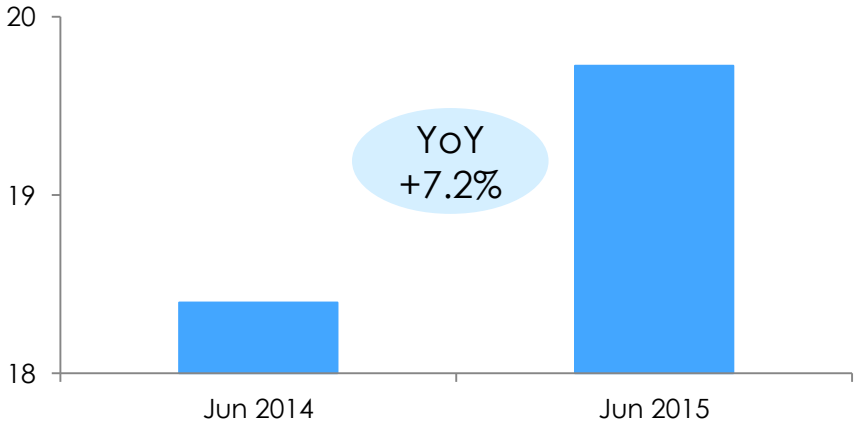


	1Q FY2014	2Q FY2014	3Q FY2014	4Q FY2014	1Q FY2015
Shopping	2,145	2,066	2,339	2,353	2,130
Service	1,481	1,555	1,590	2,317	1,750
Advertising	953	912	1,276	1,001	941

Monthly unique users (in millions)



Cumulative number of user reviews (in millions)



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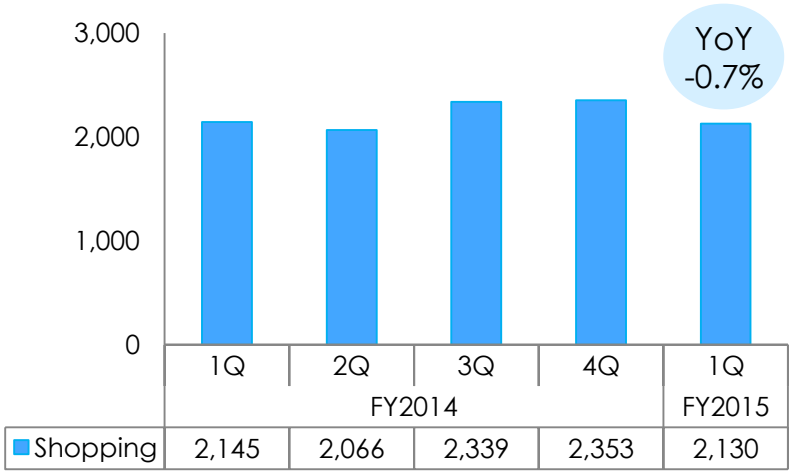
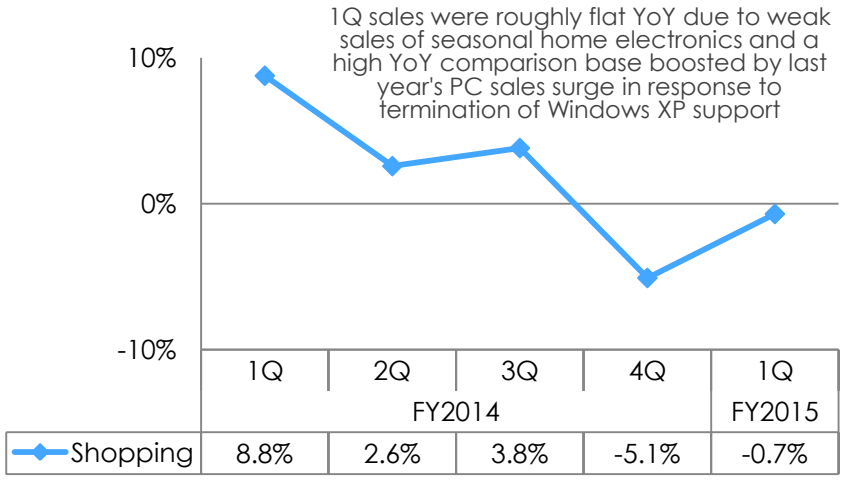
Shopping business

Quarterly Sales Trend (million yen)



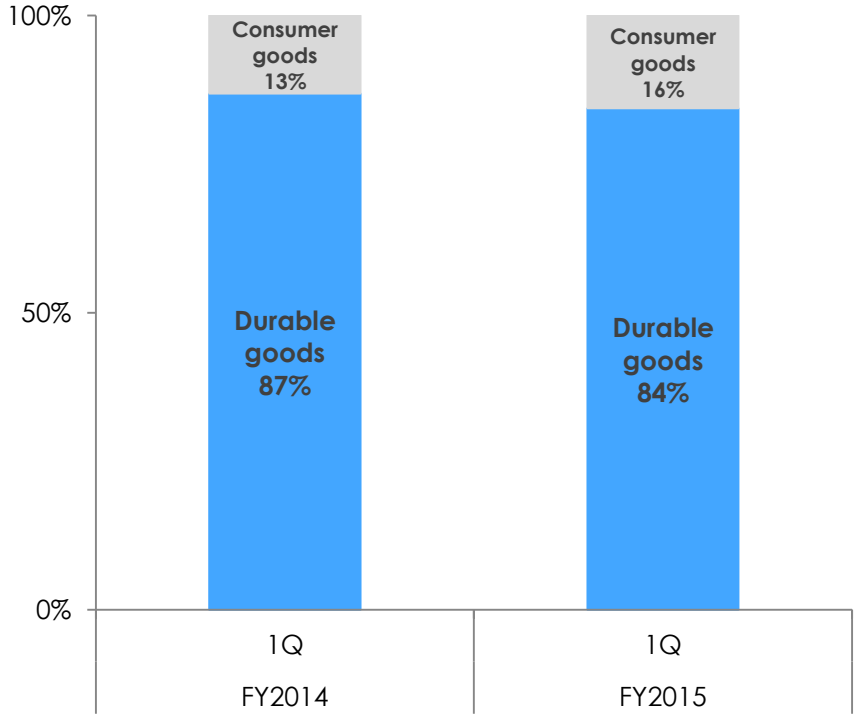
	1Q	2Q	3Q	4Q	1Q
	FY2014				FY2015
Shopping	2,145	2,066	2,339	2,353	2,130

Quarterly sales growth rates (%)



	1Q	2Q	3Q	4Q	1Q
	FY2014				FY2015
Shopping	8.8%	2.6%	3.8%	-5.1%	-0.7%

Durable goods/consumer goods: breakdown of unique users (%)



*Durable goods: Household appliances,PCs,cameras, etc.
*Consumer goods: Fashion Apparels,shoes, beverages, etc.
*This date does not include user access to review pages

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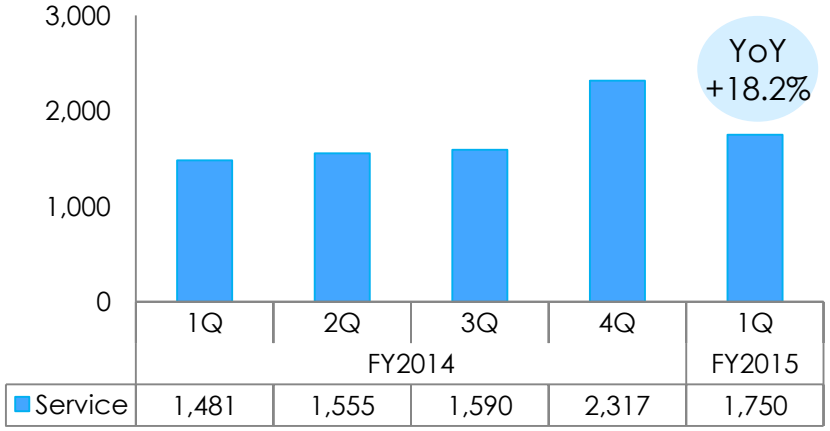
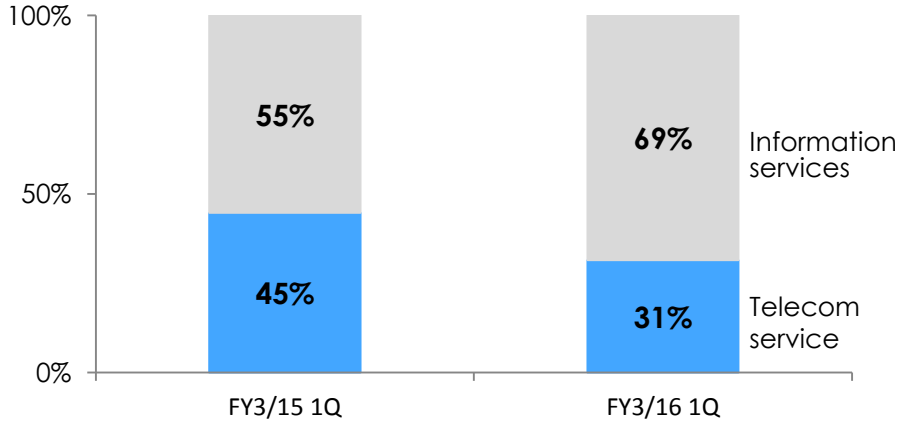
Service business

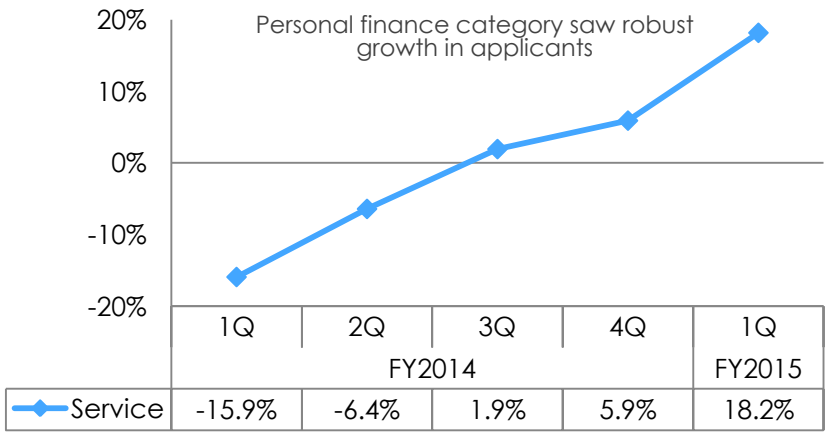
Quarterly Sales Trend (million yen)



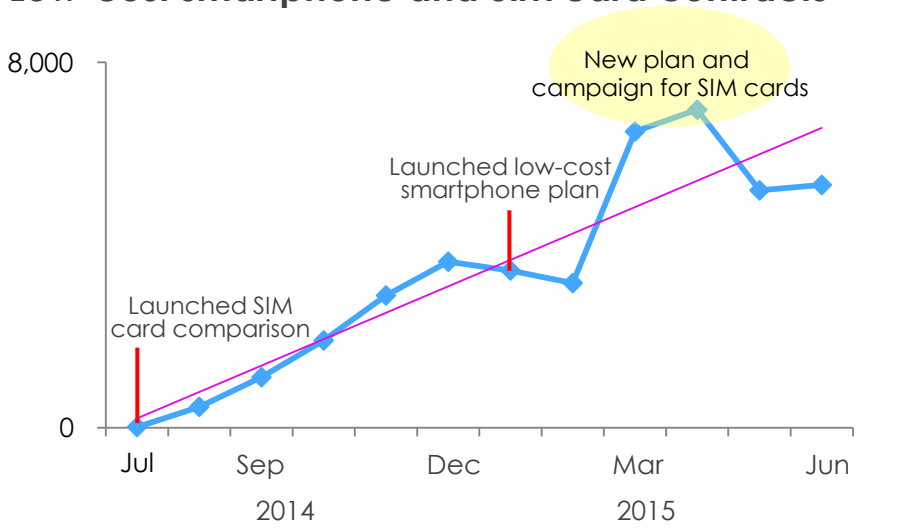
Breakdown of service revenues(%)



Quarterly sales growth rates (%)



Low-cost smartphone and SIM card contracts



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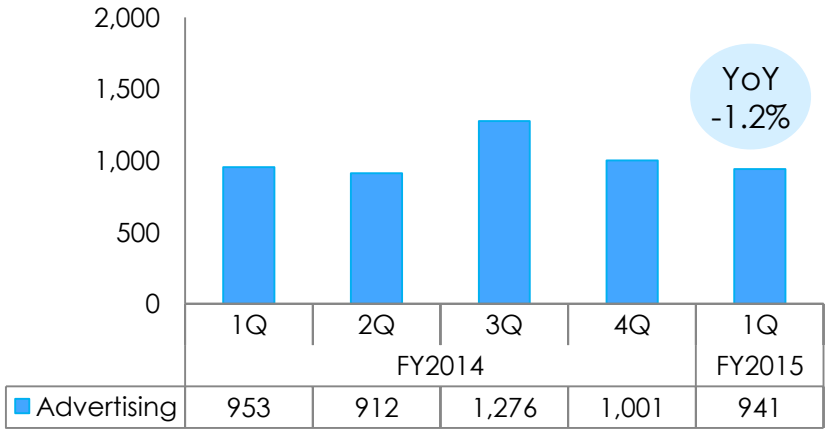
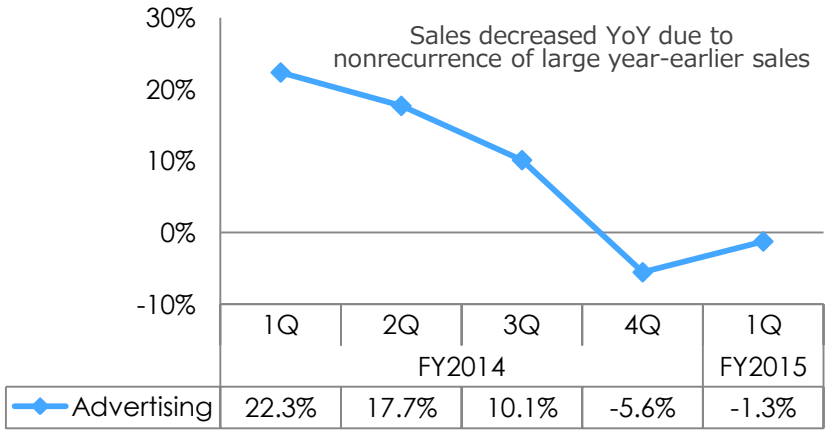
Advertising business

Quarterly Sales Trend (million yen)



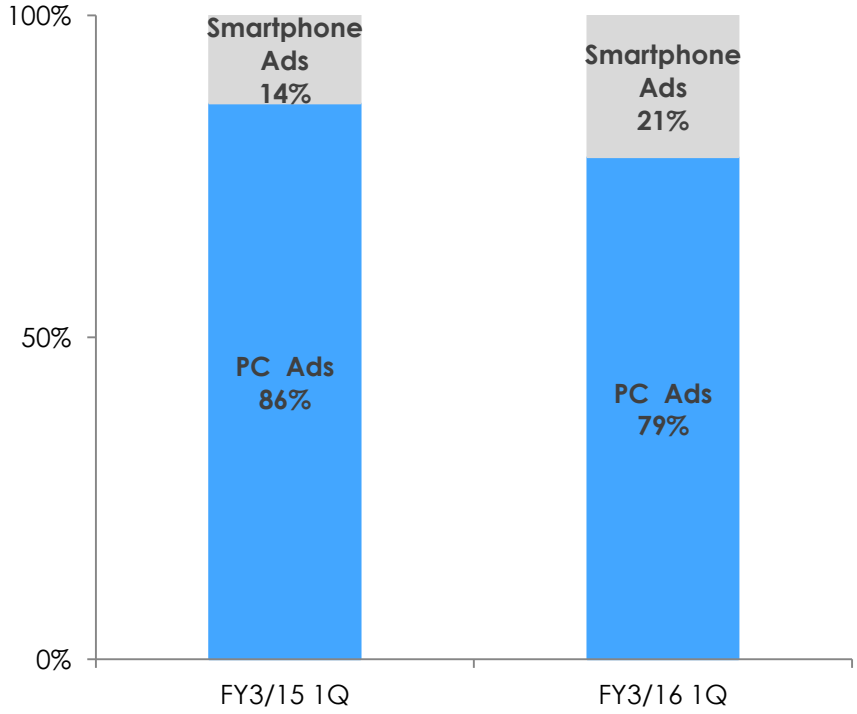
	1Q	2Q	3Q	4Q	1Q
	FY2014				FY2015
Advertising	953	912	1,276	1,001	941

Quarterly sales growth rates(%)



	1Q	2Q	3Q	4Q	1Q
	FY2014				FY2015
Advertising	22.3%	17.7%	10.1%	-5.6%	-1.3%

Ad Sales Breakdown by Device (%)



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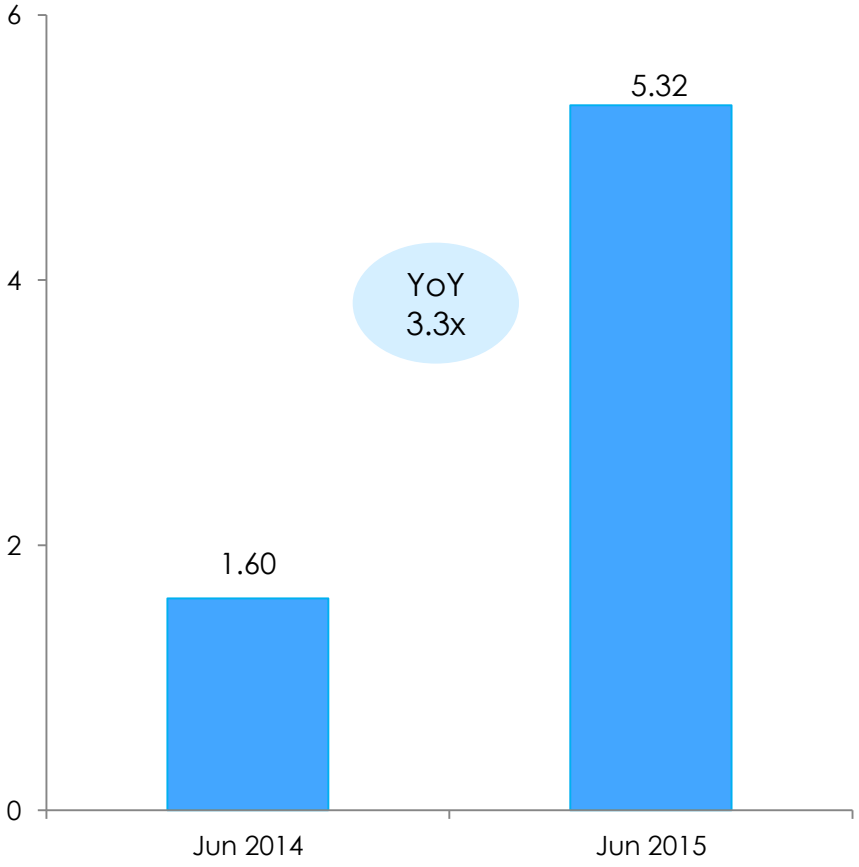
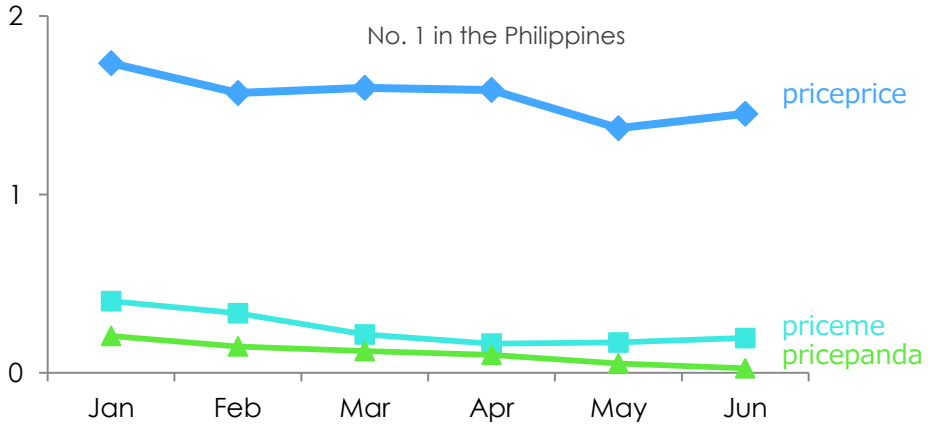
Overse businesses' progress

Monthly unique users (in millions)



The Philippines monthly unique users (in millions)



*Data only shows PC monthly unique users
*Source: Similarweb

Seeking to monetize from 2Q



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New services

Preparing content for April 2016 liberalization of electric power market



Launched *Furimano*, which enables convenient inputting of product information through linkage with *Kakaku.com*'s database





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tabelog

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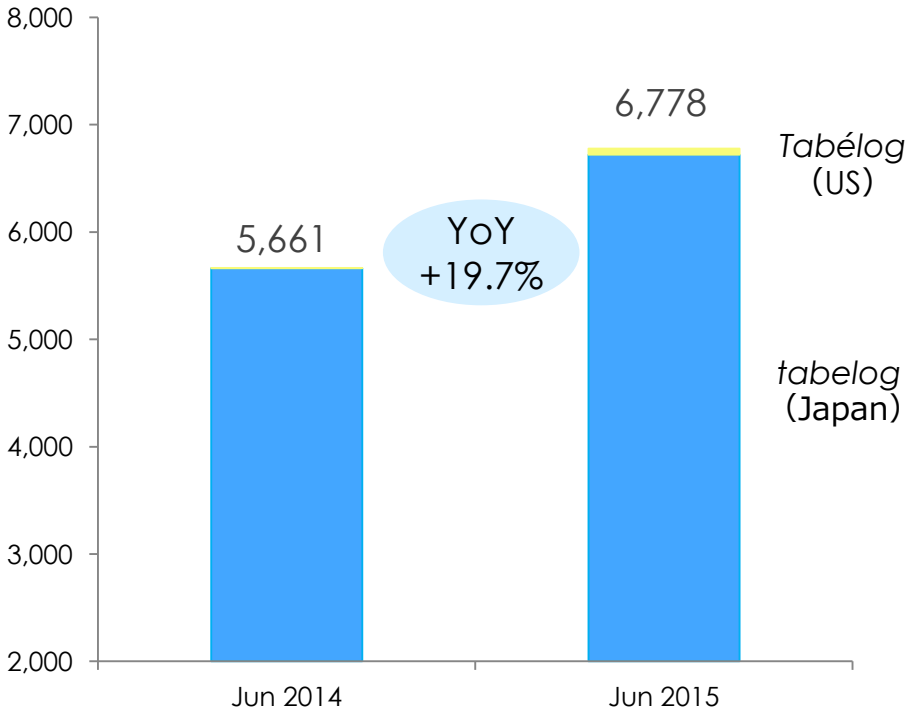
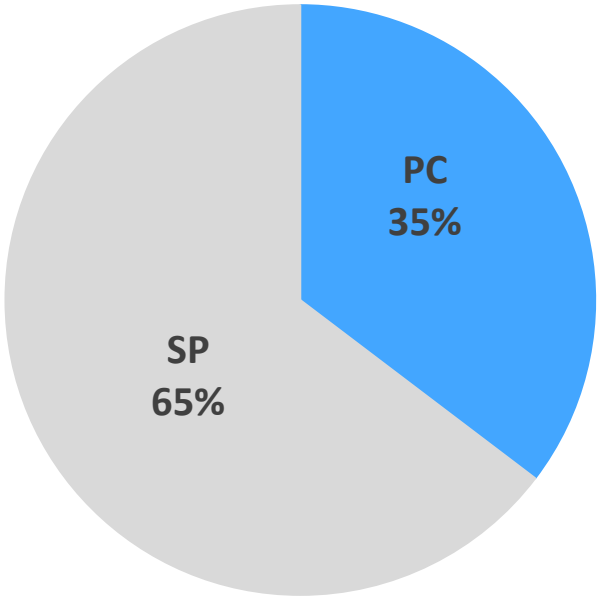
tabelog-related businesses' usership

- Total users, both domestic and overseas, grew to 67.78mn (Jun)
- Smartphones account for most *tabelog* visits because users often access the site while out and about
- Tabelog (Foreign-language version) user traffic reached 1.55mn in July
- *Tabélog (U.S.)*'s smartphone users have been growing briskly since last year's app launch

Domestic and overseas monthly unique users (in millions)



Domestic and overse as monthly unique users Breakdown by device(%)



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Domestic usership: comparison with rivals

Reach percentages by device

Site	Reach percentages (PC)
Tabelog	12.5%
Gurunavi	7.5%
Hotpepper Gourmet	5.5%
Retty	1.8%

Site	Reach percentages (Smartphone)
Tabelog	27.7%
Gurunavi	23.9%
Hotpepper Gourmet	14.5%
Retty	5.5%

Average usage time by device

Site	Reach percentages (PC)
Tabelog	0:20:40
Gurunavi	0:10:00
Hotpepper Gourmet	0:08:38
Retty	0:04:30

Site	Reach percentages (Smartphone)
Tabelog	0:11:40
Gurunavi	0:04:32
Hotpepper Gourmet	0:08:14
Retty	0:03:16

* Reach percentage = percentage of Internet user population who visited the site
* Excerpted from June 2015 Nielsen Online survey (Home & Work Data)

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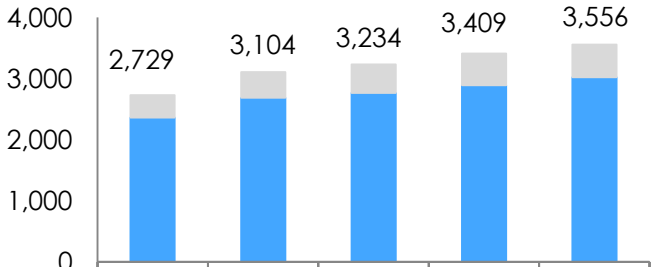
Businesses' progress

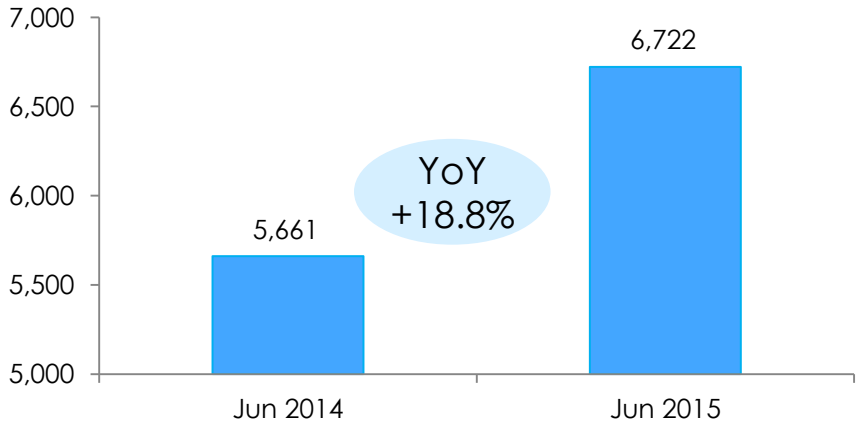
tabelog quarterly Sales Trend (million yen)

YoY +30.3%

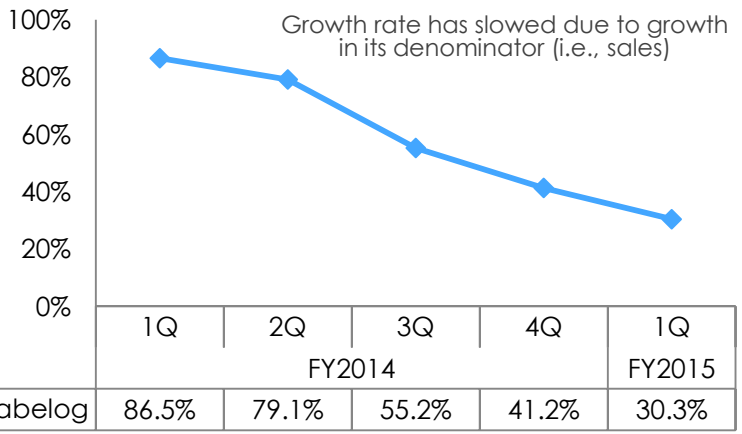


	1Q FY2014	2Q FY2014	3Q FY2014	4Q FY2014	1Q FY2015
Paying individuals	365	419	465	519	534
Corporate sales	2,362	2,684	2,767	2,889	3,021

Monthly unique users (in millions)

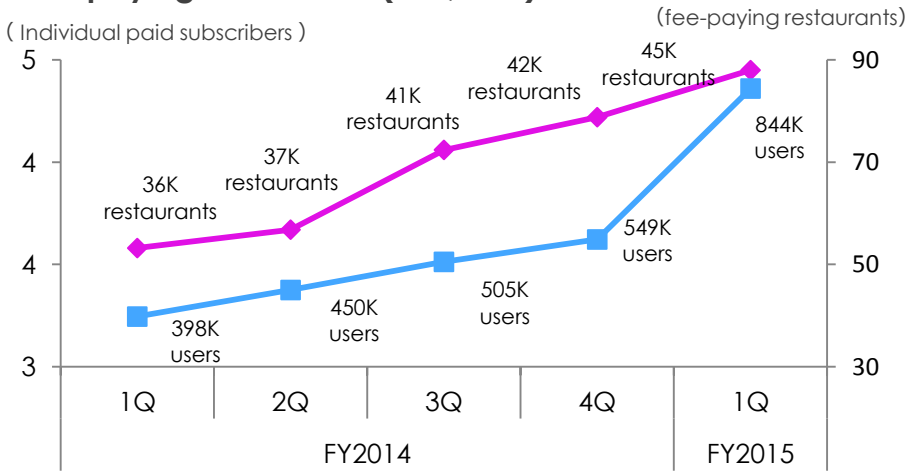


Quarterly sales growth rates (%)



	1Q FY2014	2Q FY2014	3Q FY2014	4Q FY2014	1Q FY2015
Tabelog	86.5%	79.1%	55.2%	41.2%	30.3%

Individual paid subscribers (in 1,000s) and fee-paying restaurants (in 1,000s)



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Revision of fee-paying restaurants' service plans

- In addition to Premium Plans for restaurants seeking more effective sales promotions, *tabelog* will start offering new streamlined service plans at affordable prices from August.
- The new plans aim to increase the number of fee-paying restaurants and ARPU by meeting restaurants' needs more broadly



Premium Plans ¥50,000/¥100,000	Plans for restaurants seeking **more effective** sales promotions. In addition to the Basic Plan's basic services, Premium Plan services include **exposure during *tabelog*'s peak-pageview time slots** and **outsourced data entry**.
Basic Plan ¥25,000	In addition to exposure on standard tabs, the Basic Plan enables restaurants to better express themselves by displaying more information (e.g., "**recommended menu items**") and provides access to **online reservation** and **same-day table availability search services** to drive customer traffic.
¥10,000 Plan	**Offers basic functionality via the PC channel only.** Excludes online reservation service. Targeted at non-urban restaurants, ramen shops, confectioners, etc.

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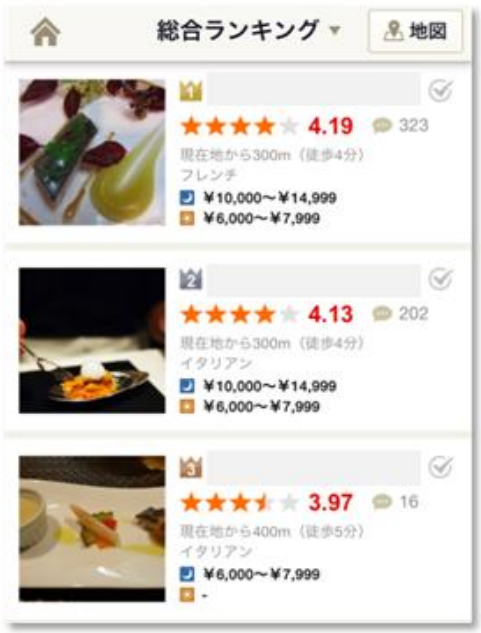
Overview of for-fee services for consumers

- *tabelog* offers three for-fee services for individual users
- Fee-paying users have increased substantially since dgourmet's launch

Premium membership

- ¥300 (+ tax) per month
- No restrictions on rankings via smartphone
- Access to premium coupons



One coin lunch membership

- ¥500 (+ tax) per month
- Members can eat lunch for ¥500 at registered restaurants



dgourmet® membership

- ¥400 (+ tax) per month
- Members partly enjoy premium membership benefits plus partial access to one-coin lunch offers



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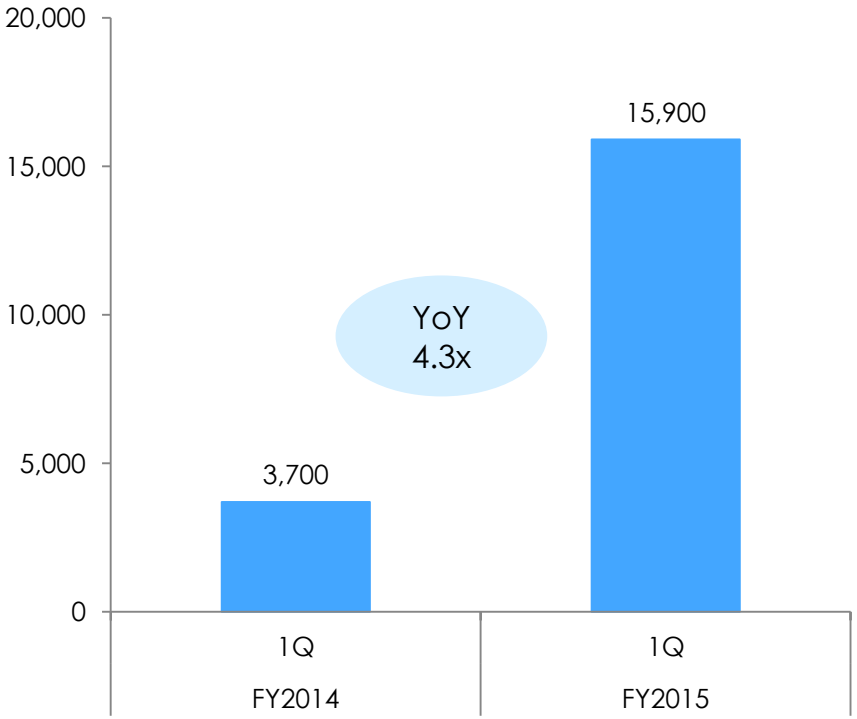
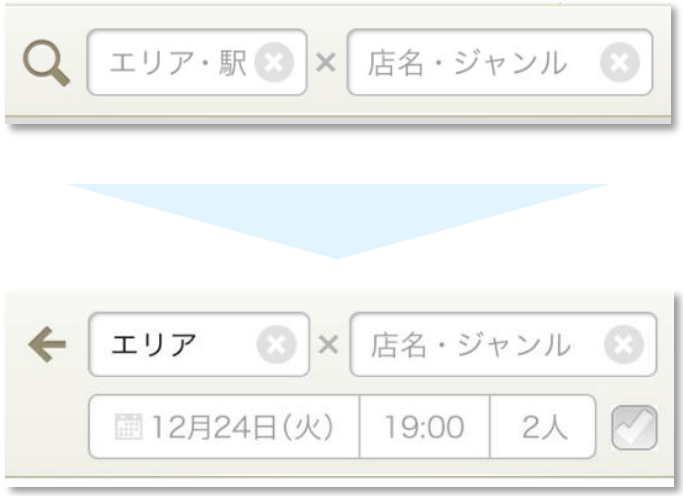
Growth in online reservations

- Restaurants using online reservation service is growing robustly in line with growth in fee-paying restaurants
- Cumulative number of people for reservations surpassed 3mn in July

Restaurants using online reservation service (Unit: restaurants)



Updated user interface simplifies reservation process



From June, users can specify date, time and party size on tabelog's homepage

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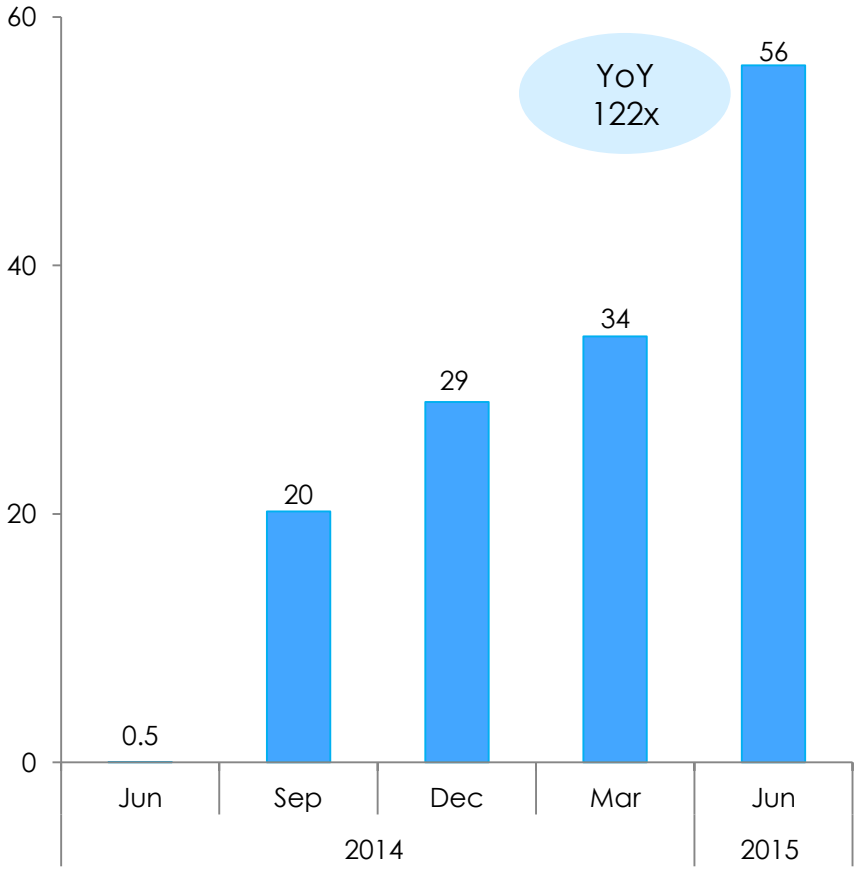
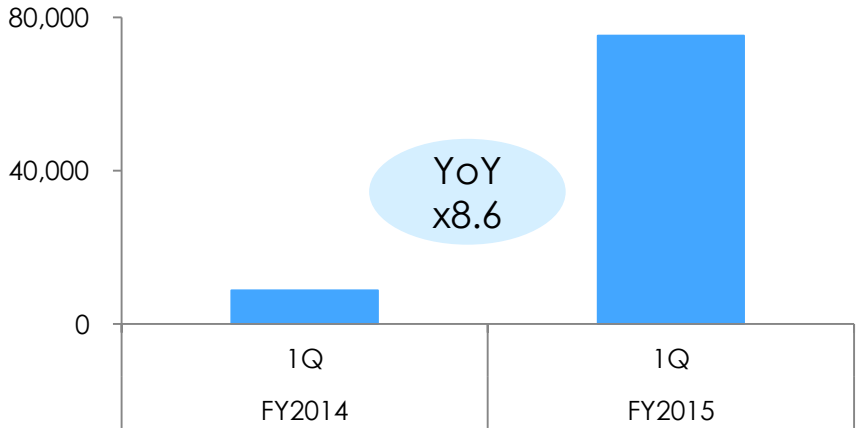
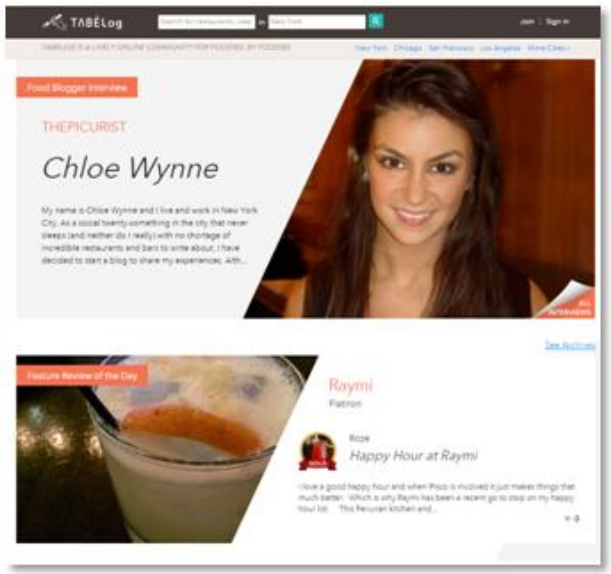
Overse businesses' progress

Tabélog monthly unique users (in millions)



Number of reviews (Unit: reviews)





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New Media

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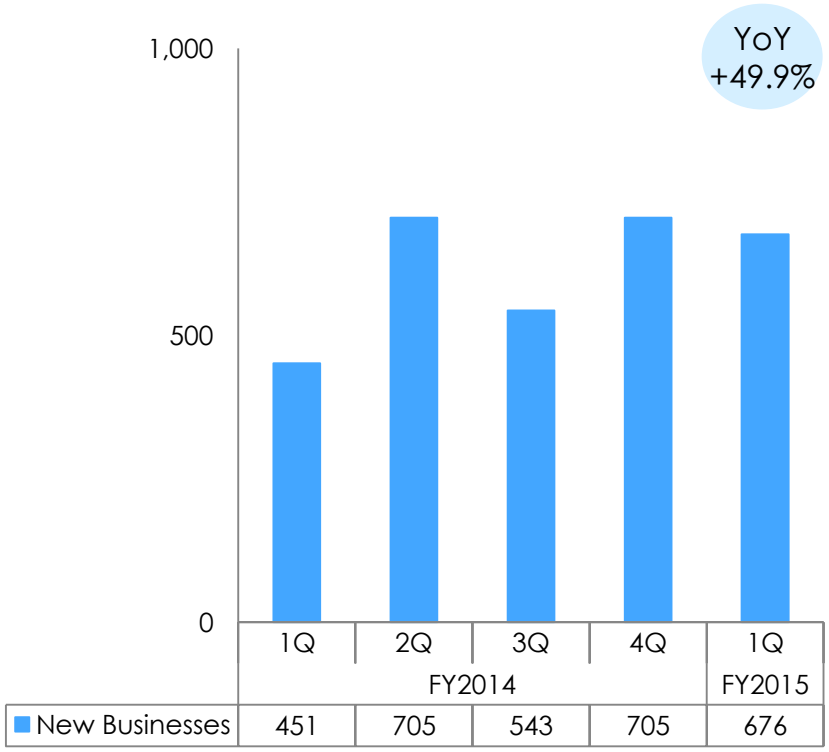
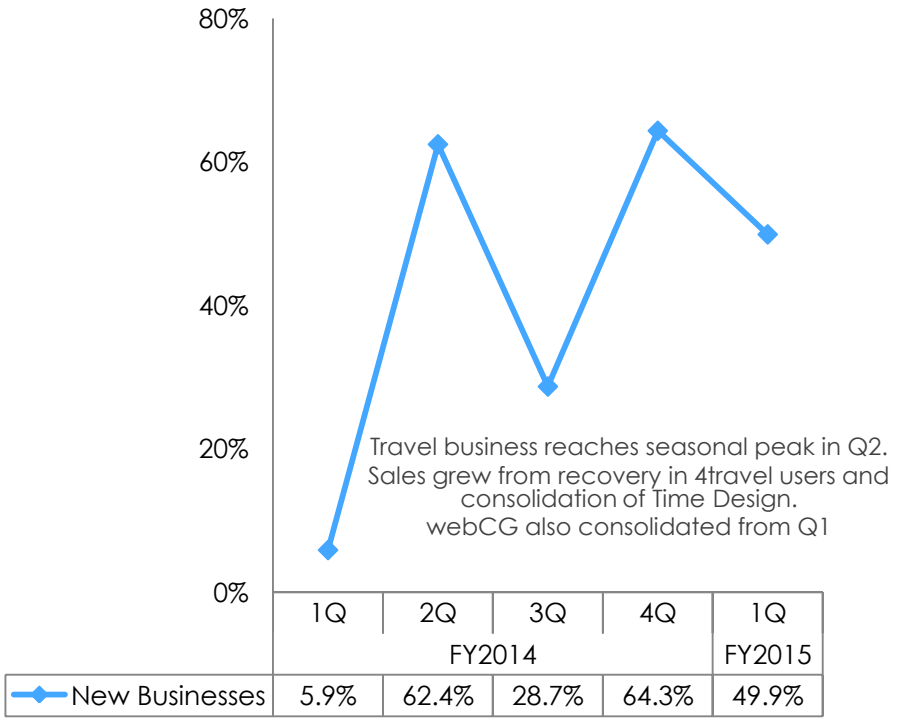
New Media

- *4travel* and Time Design's travel-related sales have been buoyant
- *webCG*'s sales will be included in consolidated sales from FY3/16
- *eiga.com* user reviews exceed100,000 in August

Quarterly Sales Trend (million yen)



Quarterly sales growth rates (%)



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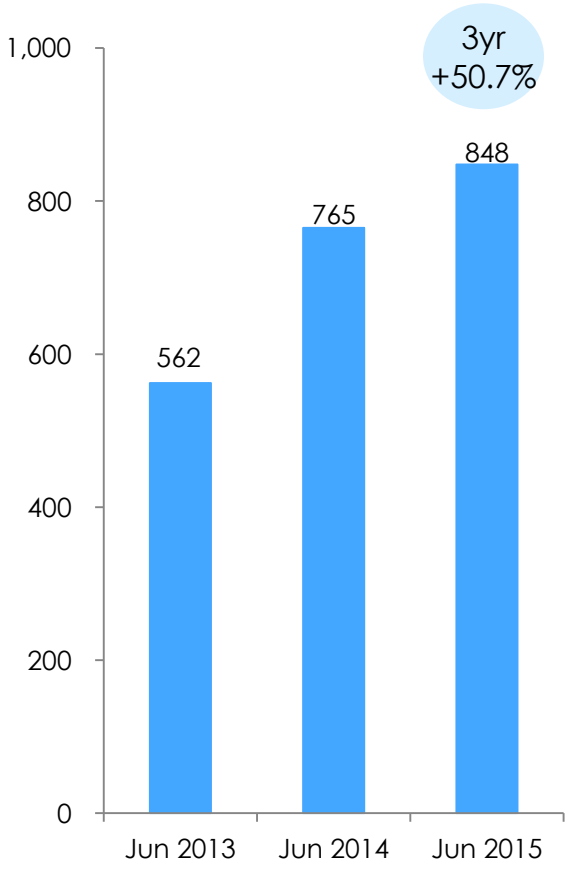
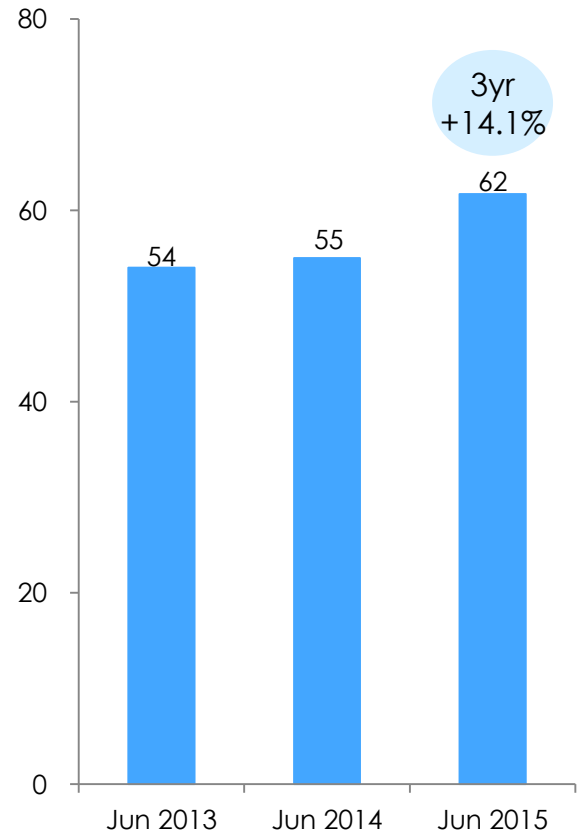
Travel

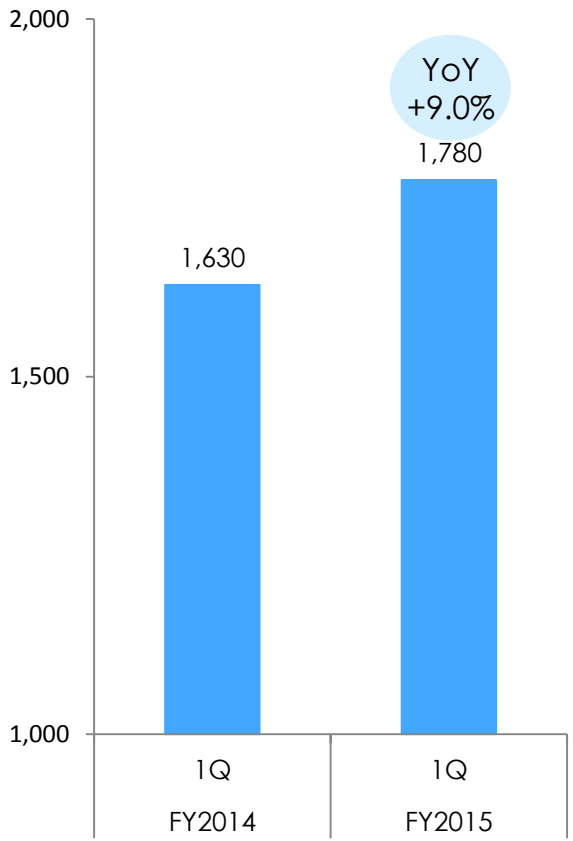
***4travel* monthly unique users (in millions)**



***yoyaQ.com* monthly unique users (in millions)**



Time Design
Participating lodging facilities



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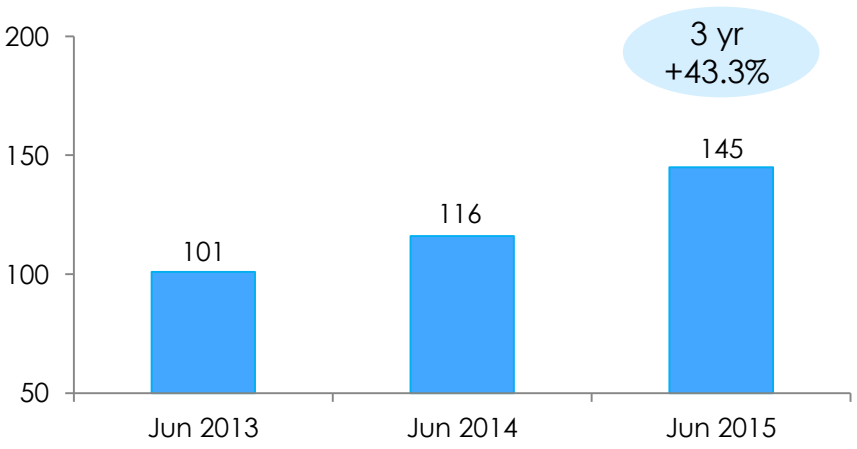
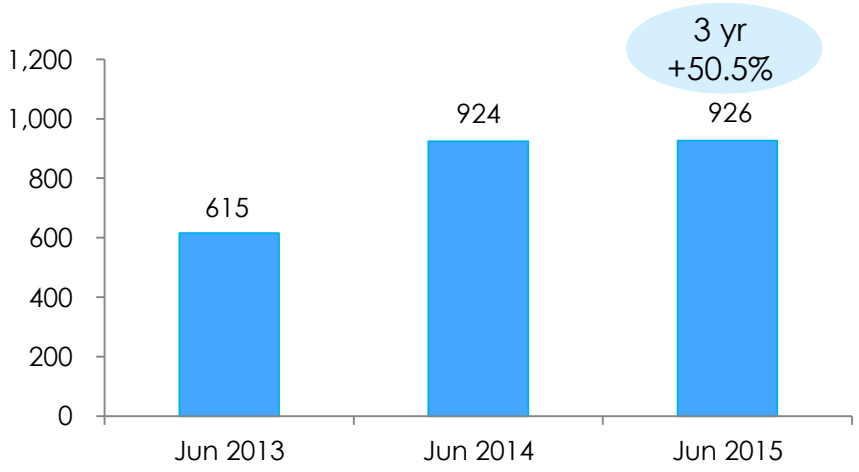
Real Estate and Movie

Sumaity monthly unique users (in millions)



eiga.com monthly unique users (in millions)



Sumaity Top page



Business alliance with Japan's largest crowd funding platform "MotionGallery"



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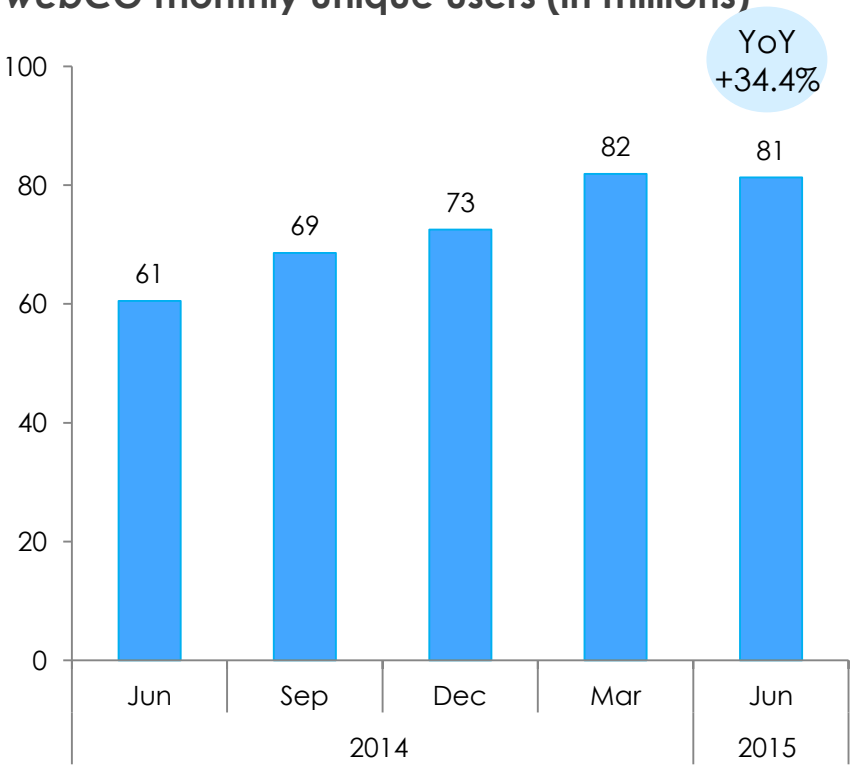
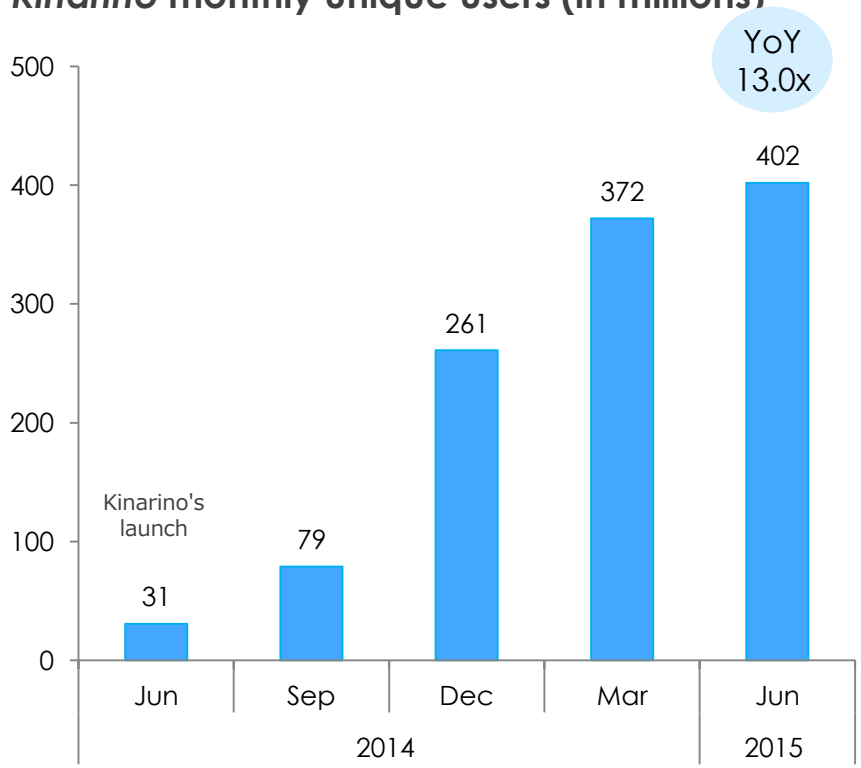
New initiatives

- *webCG* became a consolidated subsidiary in February. It aims to increase its users by partnering with *Kakaku.com* in terms of content
- *Kinarino* is off to a successful start. It has started selling tie-up ads

webCG monthly unique users (in millions)



Kinarino monthly unique users (in millions)



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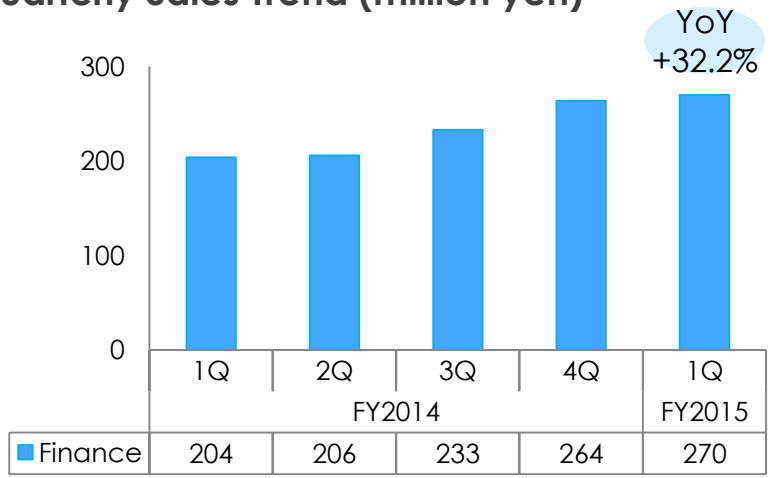
Finance(Insurance)business

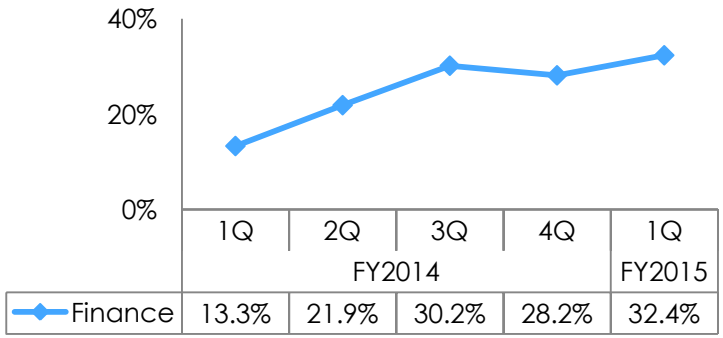
- Number of life insurance and accident insurance policies available online has been steadily increasing
- Started offering E.design Insurance and Asahi Mutual Life Insurance's insurance products

Quarterly Sales Trend (million yen)



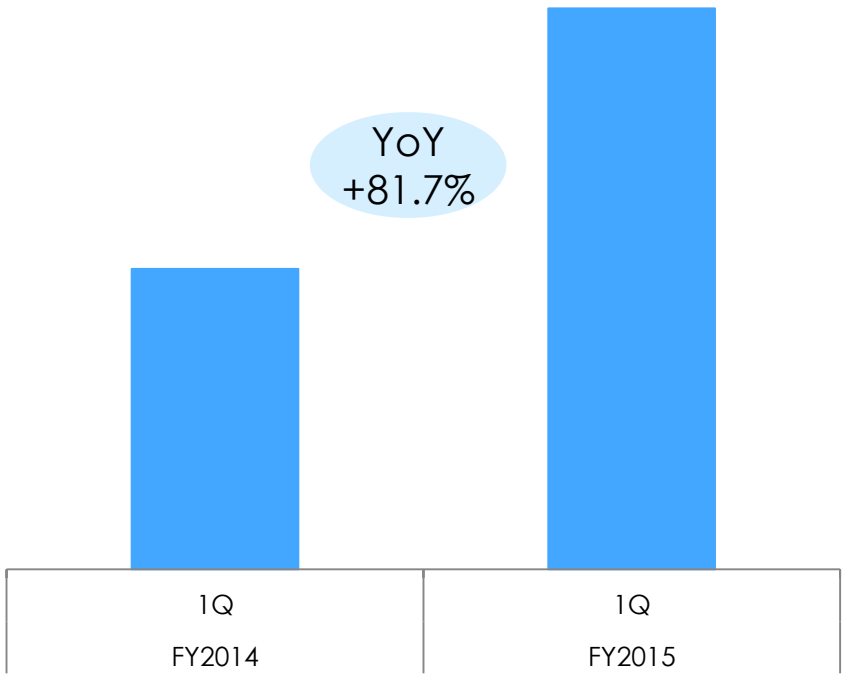
	1Q	2Q	3Q	4Q	1Q
	FY2014				FY2015
Finance	204	206	233	264	270

Quarterly sales growth rates(%)



	1Q	2Q	3Q	4Q	1Q
	FY2014				FY2015
Finance	13.3%	21.9%	30.2%	28.2%	32.4%

Number of insurance applications



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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, 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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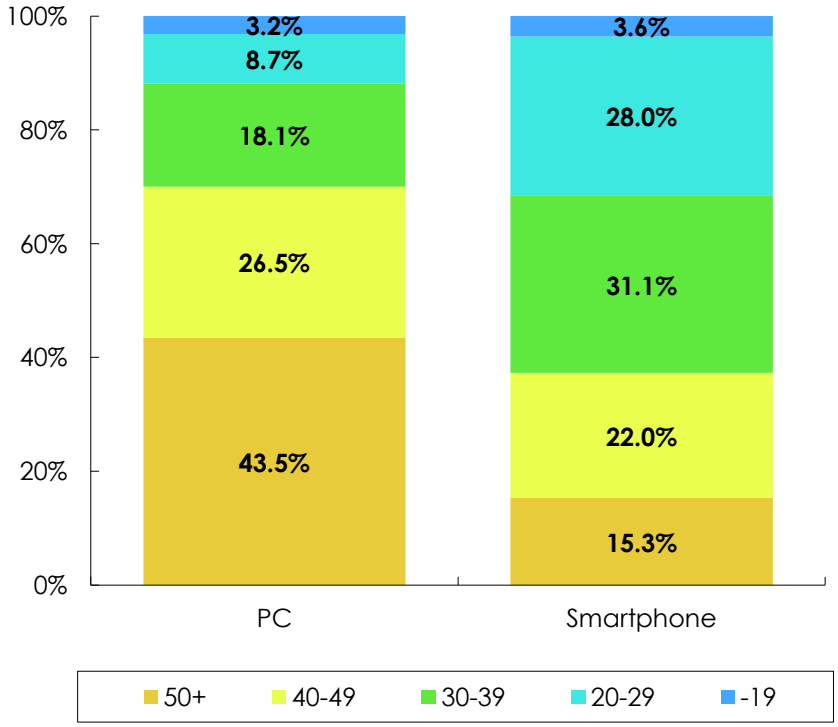
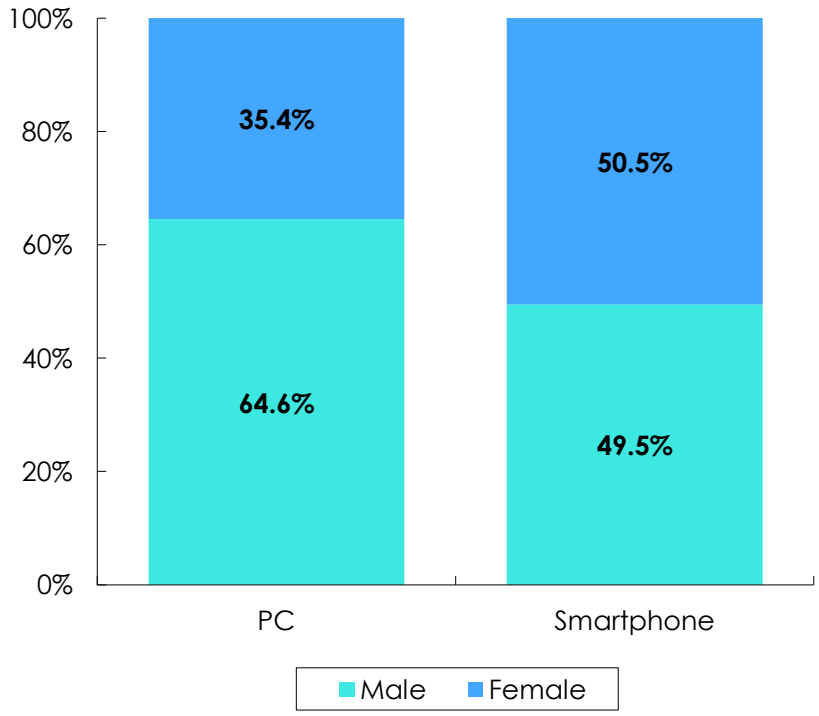
Operated Website User Profile

- Uses above 30 account for 80% of total users on PC and less than 70% on smartphone.
- While male user ratio is higher for PC, mare-female ratio on smartphone is almost 50/50.

Age Distribution



Male-Female Ratio



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

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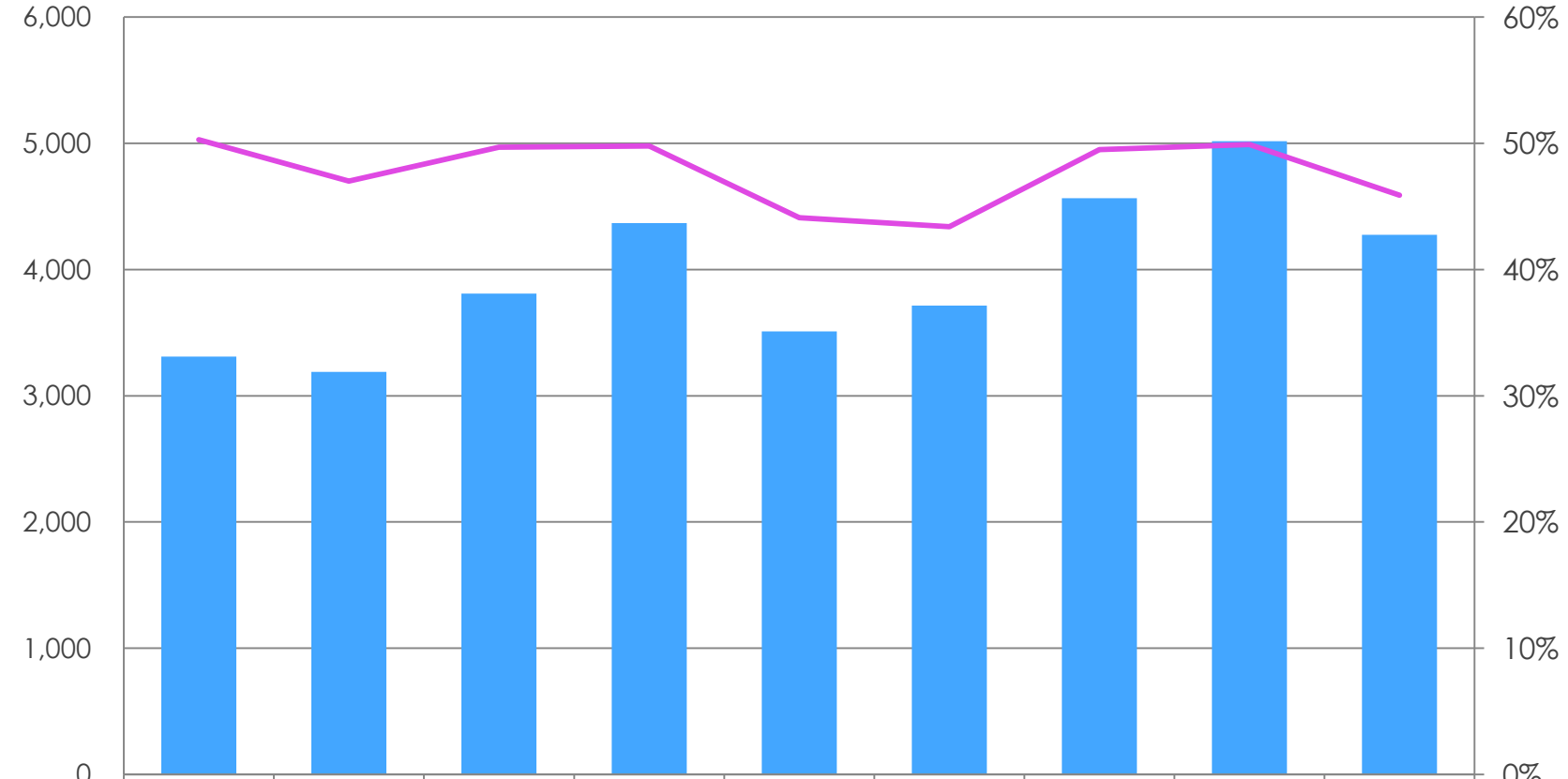
Operating Income by Quarter (Consolidated)

(Unit: million yen,%)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	FY2013				FY2014				FY2015
Operating Income	3,310	3,189	3,810	4,369	3,509	3,715	4,566	5,017	4,276
Operating margin	50.3%	47.0%	49.7%	49.8%	44.1%	43.4%	49.5%	49.9%	45.9%

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

※webCG, Inc. are included in consolidated accounts from FY3/2016 1Q

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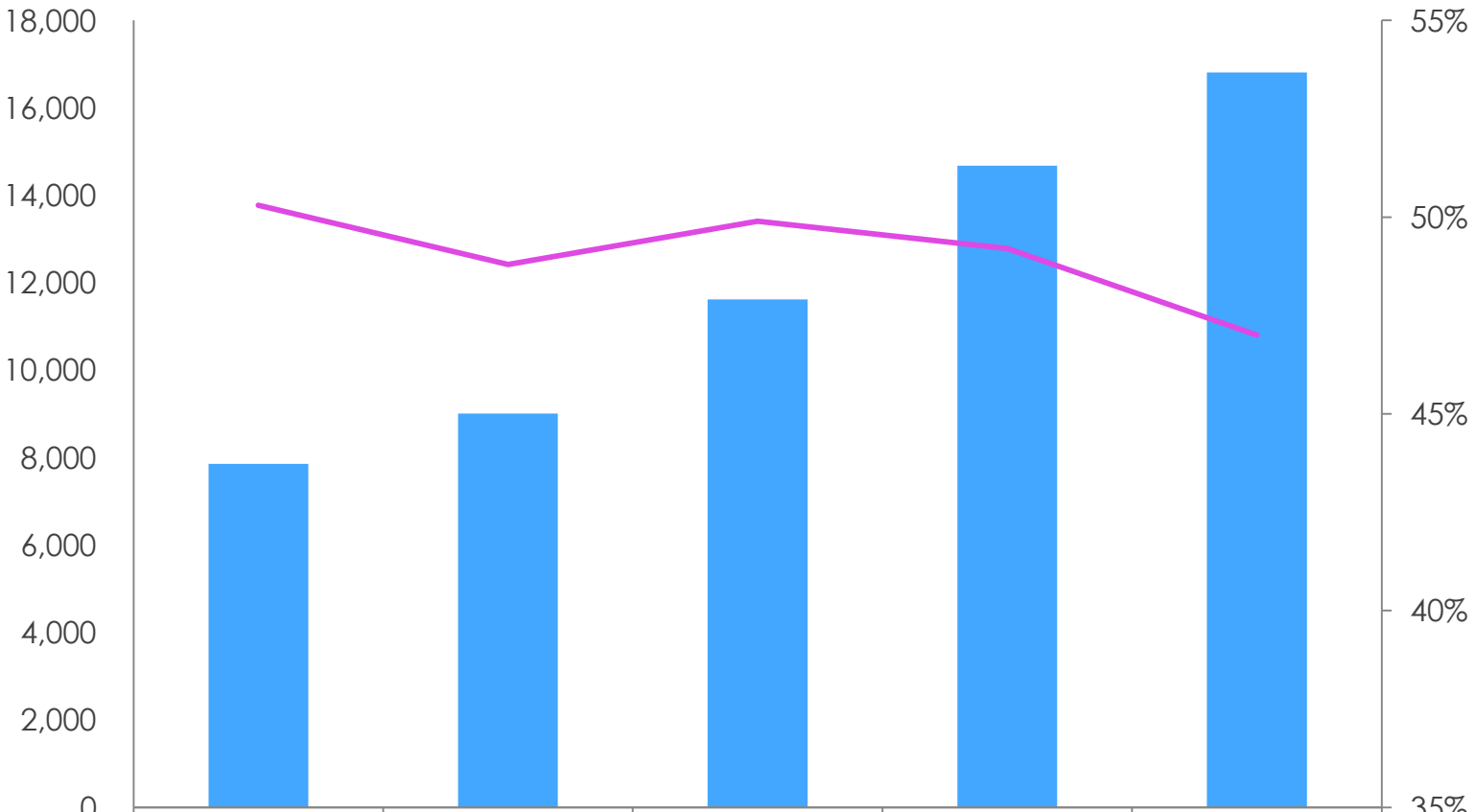
Operating Income by Fiscal Year (Consolidated)

(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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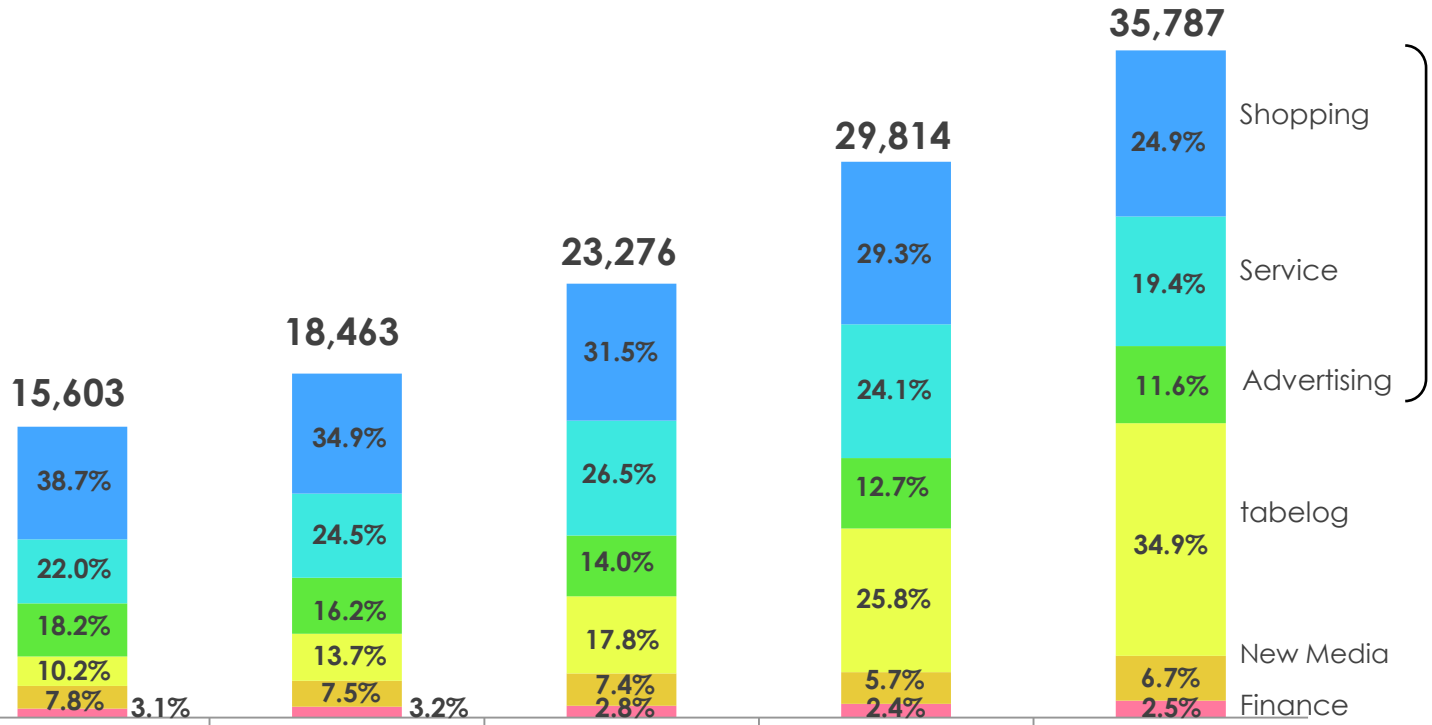
Sales Contribution by Business by Fiscal Year (Consolidated)



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.

◆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.

◆Travel review and comparison 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.)

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

◆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.

◆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.

◆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.

◆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.

◆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.

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

◆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.)

◆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.)

◆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.

◆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.

◆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."

◆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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