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May 10, 2017

Kakaku.com, Inc.
Consolidated Earnings Report for the Fiscal Year ended March 31, 2017

Stock listings:	Tokyo Stock Exchange (First Section)
Securities code:	2371
URL:	http://corporate.kakaku.com/?lang=en
Representative:	Shonosuke Hata, President and Representative Director
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Scheduled dates	
Ordinary general meeting of shareholders:	June 21, 2017
Dividend payout:	June 22, 2017
Filing of statutory year-end financial report:	June 21, 2017
Supplementary materials to financial results available:	Yes
Fiscal year-end earnings presentation held:	Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Operating Results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2017	45,089	9.2	21,161	8.3	21,164	8.1	14,838	13.3
Year ended March 31, 2016	41,275	15.3	19,534	16.2	19,580	14.1	13,100	20.3

Note: Comprehensive income: Year ended March 31, 2017: 14,884 million yen (+12.8%)
Year ended March 31, 2016: 13,196 million yen (+21.2%)

	Profit per share - basic	Profit per share - fully diluted	Return on equity	Ordinary income to total assets	Operating income to sales
	yen	yen	%	%	%
Year ended March 31, 2017	68.23	68.20	44.5	52.2	46.9
Year ended March 31, 2016	59.59	59.49	45.2	54.2	47.3

For reference: Equity in gains (losses) of equity-method affiliates:
Year ended March 31, 2017: - million yen
Year ended March 31, 2016: - million yen

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2017	42,129	35,398	83.1	161.63
March 31, 2016	38,903	32,111	81.6	145.23

For reference: Total equity: March 31, 2017: 34,991 million yen March 31, 2016: 31,739 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income

(3) Cash Flow Position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2017	16,337	(2,082)	(11,656)	30,890
Year ended March 31, 2016	13,301	1,023	(7,775)	28,319

2. Dividends

	Dividend per share					Total payout (full year)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End - first quarter	End - second quarter	End - third quarter	Year-end	Annual total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2016	-	0.00	-	21.00	21.00	4,589	35.2	15.9
Year ended March 31, 2017	-	14.00	-	14.00	28.00	6,061	41.0	18.2
Year ending March 31, 2018 (forecast)	-	-	-	-	-		-	

Note: Year-end dividend for the fiscal year ending March 31, 2018, has yet to be determined.

3. Forecast of Consolidated Earnings for the Fiscal Year ending March 31, 2018
(April 1, 2017 to March 31, 2018)

(Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30, 2017	22,500	-	10,500	-	10,480	-	7,180	-	33.17
Full year	48,000	-	23,300	-	23,250	-	15,850	-	73.21

(Note) As the Company plans to apply the International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2018, the consolidated earnings forecast is based on IFRS, and thus changes from the same month of the previous year are not shown.

(Reference) Forecast of Consolidated Earnings based on Japanese GAAP
Net sales: 50,000 million yen
Operating income: 23,000 million yen
Ordinary income: 22,950 million yen
Profit attributable to owners of parent: 15,850 million yen

***Notes**

(1) Changes affecting the status of material subsidiaries (scope of consolidation): None

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:
1) Changes in accordance with revisions to accounting and other standards: Yes
2) Changes other than the above 1): None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
(Note) Please refer to page 13, "3. Consolidated Financial Statements, (5) Notes on Consolidated Financial Statements (Changes in accounting policy)."

(3) Number of shares issued (common stock)
1) Number of shares issued at end of period (treasury stock included):
March 31, 2017: 218,160,100 shares
March 31, 2016: 219,560,100 shares
2) Number of shares held in treasury at end of period:
March 31, 2017: 1,668,325 shares
March 31, 2016: 1,019,125 shares
3) Average number of shares outstanding during the period:
Year ended March 31, 2017: 217,463,481 shares
Year ended March 31, 2016: 219,829,806 shares

For Reference

1. Non-consolidated Financial Results for the Fiscal Year ended March 31, 2017

(April 1, 2016 to March 31, 2017)

(1) Operations Results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2017	41,422	9.3	20,915	7.8	20,934	7.0	13,775	4.5
Year ended March 31, 2016	37,911	13.5	19,408	15.0	19,567	13.9	13,182	20.1

	Net income per share - basic	Net income per share - fully diluted
	yen	yen
Year ended March 31, 2017	63.35	63.31
Year ended March 31, 2016	59.97	59.87

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2017	41,302	35,041	84.4	161.01
March 31, 2016	39,130	32,858	83.5	149.49

For reference: Total equity: March 31, 2017: 34,857 million yen March 31, 2016: 32,670 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income

* This earnings report is exempt from audit procedures.

* Appropriate Use of Earnings Forecasts and Other Important Information

The above forecasts, which constitute forward-looking statements, are prospects based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.

For matters regarding the above earnings forecasts, please refer to page 3, “1. Operating Results and Financial Position (1) Operating Results (Outlook for Fiscal Year Ending March 31, 2018).”

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1. Operating Results and Financial Position

(1) Operating Results

Kakaku.com, Inc., (the "Company") provides a broad range of services with a mission of continuing to create valuable user-oriented services. The more than 20 services it currently offers most notably include *kakaku.com*, a customer purchasing support site that dates back to the Company's inception, and *tabelog*, a ranking and word-of-mouth restaurant review site. All of the Company's businesses have been pursuing sustained group-wide earnings growth.

In the fiscal year ended March 31, 2017, Japanese personal consumption remained sluggish even amid steady recovery in employment conditions in response to government policies. In contrast, Japan's business-to-consumer e-commerce market grew a solid 7.6% to 13.8 trillion yen in the year through March 2016. The e-commerce share of Japan's total retail sales is 4.8%, still low relative to the global norm. The Japanese e-commerce market accordingly has promising prospects of growth driven by growth in online shopping's prevalence.[1] Additionally, the Japanese restaurant industry's market grew 2.2% to 25.1 trillion yen in the year through March 2016.[2]

Amid such an environment, the *kakaku.com* site attracted 52.75 million monthly unique users[3] in March 2017. *kakaku.com* increased its gross consumer goods transaction volume by improving its site's usability in consumer goods categories while augmenting and upgrading service categories' content. *tabelog* had 104.29 million monthly unique users[3] in March 2017. It improved its site's user interface, mainly for its online reservation service, which has reserved tables for a cumulative total of over 14 million restaurant patrons as of March 31, 2017. *Kinarino*, a lifestyle media for women, worked on increasing user referrals and direct traffic in the aim of growing *Kinarino Mall*'s gross transaction volume. Consolidated subsidiary Time Design Co., Ltd., which operates a dynamic travel package business, upgraded its reservation system and developed alliances with credit card companies.

As a result, consolidated net sales grew 9.2% year on year to 45,089 million yen, consolidated operating income grew 8.3% year on year to 21,161 million yen, consolidated ordinary income grew 8.1% year on year to 21,164 million yen and consolidated profit attributable to owners of parent grew 13.3% year on year to 14,838 million yen in the fiscal year ended March 31, 2017.

1. Source: Ministry of Economy, Trade and Industry's FY2015 E-commerce Market Survey (published June 14, 2016)
2. Source: Japan Food Service Association's FY2015 Restaurant Industry Market Size Estimate (published July 2016).
3. The number of monthly unique users is the number of browsers that visited the site, not the number of commutative visits, during a month. Multiple visits by a single browser are counted as one user. Effective from November 2016, the Company changed its sites' traffic measurement logic in conjunction with diversification of mobile webpages.

Operating results (before intersegment eliminations) are presented below by business segment.

(a) Internet Media Business

The Internet media business's net sales grew 9.7% year on year to 44,161 million yen while its operating income grew 9.2% year on year to 21,024 million yen in the fiscal year ended March 31, 2017.

(Kakaku.com)

In *kakaku.com*'s shopping business, net sales declined 1.7% year on year to 9,139 million yen as referral traffic decreased amid a downshift in digital consumer electronics sales. In *kakaku.com*'s advertising business, net sales decreased 6.5% year on year to 4,161 million yen. Although reserved advertising orders from automotive manufacturers increased, the increase was offset by a reduction in reserved advertising orders from consumer electronics makers. Additionally, network advertising revenues decreased in response to the falloff in traffic. In *kakaku.com*'s service business, net sales increased

10.6% year on year to 7,986 million yen in the wake of brisk growth in commission revenues from the telecom business's overseas Wi-Fi and SIM card comparison services.
Overall, *kakaku.com*'s net sales grew 1.5% year on year to 21,287 million yen in the fiscal year ended March 31, 2017.

(Tabelog)
tabelog's revenues from restaurants increased by virtue of growth in numbers of both restaurants using its fee-based services and consumers using its online reservation service. *tabelog* also increased its revenues from individual users through recruitment of fee-paying individual subscribers.
As a result, *tabelog*'s net sales grew 17.9% year on year to 18,608 million yen in the fiscal year ended March 31, 2017.

(New Media)
In the new media business, consolidated subsidiary Time Design Co., Ltd., benefited from growth in hotel reservation bookings in its dynamic travel package business. Real estate/housing information site *Sumaity* increased its commission revenues by upgrading its content and strengthening its sales. *Kinario* grew its commission and advertising revenues by increasing referral traffic to *Kinarino Mall* and strengthening its advertising sales.
As a result, the new media business's net sales grew 21.9% year on year to 4,264 million yen in the fiscal year ended March 31, 2017.

(b) Finance Business
Consolidated subsidiary Kakaku.com Insurance, Inc., saw its insurance agency business's applications for coverage decrease as a result of a reduction in traffic.
The finance business's net sales consequently decreased 9.6% year on year to 927 million yen while its operating income decreased 52.5% year on year to 132 million yen in the fiscal year ended March 31, 2017.

(Outlook for Fiscal Year Ending March 31, 2018)
The Kakaku.com Group aims to strengthen its overall earnings foundation by accelerating the new media and finance businesses' growth while keeping *kakaku.com* and *tabelog* growing robustly. The Group is committed to gaining new earnings sources by investing in overseas businesses and also aggressively challenging to build businesses that utilize its proprietary data.
Among selling, general and administrative expenses, the Group expects advertising and agency commission expenses to increase as its operations expand in scale. It also anticipates growth in depreciation and server maintenance expenses due to IT investment to stably provide services.
The Group plans to adopt International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2018. For the fiscal year ending March 31, 2018, the Group is forecasting consolidated revenue of 48,000 million yen, consolidated operating profit of 23,300 million yen, consolidated profit before income taxes of 23,250 million yen and consolidated profit attributable to owners of parent of 15,850 million yen, all on an IFRS basis. On a Japanese GAAP basis, the Group is forecasting consolidated net sales of 50,000 million yen, consolidated operating income of 23,000 million yen, consolidated ordinary income of 22,950 million yen and consolidated profit attributable to owners of parent of 15,850 million yen.
These forecasts are judgments based on currently available information. They involve many uncertainties. Actual operating results may differ from the forecasts as a result of changes in business conditions or other factors.

(2) Financial Condition

(Assets)
Consolidated assets at March 31, 2017, totaled 42,129 million yen, a 3,225 million yen increase from March 31, 2016. The increase was mainly due to a 2,570 million yen increase in cash and deposits and 526 million yen increase in investment securities.

(Liabilities)
Consolidated liabilities at March 31, 2017, totaled 6,730 million yen, a 62 million yen decrease from March 31, 2016. The decrease was mainly the net result of a 291 million yen reduction in income taxes payable and a 108 million yen increase in notes and accounts payable.

(Net Assets)
Consolidated net assets at March 31, 2017, totaled 35,398 million yen, a 3,287 million yen increase from March 31, 2016. The increase was mainly the net result of 14,838 million yen of profit attributable to owners of parent, a 4,220 million yen treasury shares acquisition and a 7,628 million yen dividend distribution from capital surplus.

(3) Cash Flows
Cash and cash equivalents ("cash") at March 31, 2017, totaled 30,890 million yen, a 2,570 million yen increase from March 31, 2016. Cash flows from operating, investing and financing activities were as follows.

Cash flows from operating activities
Operating activities provided net cash of 16,337 million yen (vs. 13,301 million yen provided in the previous fiscal year).
The net cash inflow came mainly from 21,200 million yen of profit before income taxes partially offset by 6,720 million yen of income tax payments.

Cash flows from investing activities
Investing activities used net cash of 2,082 million yen (vs. 1,023 million yen provided in the previous fiscal year).
The main uses were 510 million yen spent to purchase investment securities, 414 million yen spent to purchase servers and other property, plant and equipment in conjunction with business expansion and 1,186 million yen spent to purchase intangible assets, including software used in servers.

Cash flows from financing activities
Financing activities used net cash of 11,656 million yen (vs. 7,775 million yen used in the previous fiscal year).
The main uses were 4,232 million yen spent to purchase treasury shares and 7,625 million yen paid out as dividends.

(Reference) Cash Flow-Related Indices

Year ended:	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Shareholders' equity ratio (%)	75.3	79.5	78.4	81.6	83.1
Market-valued equity ratio (%)	517.7	1,151.6	1,316.2	1,174.0	778.5
Ratio of interest-bearing liabilities to cash flow	-	0.0	-	-	-
Interest coverage ratio	21,027.1	-	14,229.6	1,613,317.8	-

Shareholders' equity ratio: shareholders' equity / total assets
Market-valued equity ratio: market capitalization / total assets
Ratio of interest-bearing liabilities to cash flow: interest-bearing liabilities / cash flow
Interest coverage ratio: cash flow / interest payments

Notes:

1. All indices were calculated using consolidated financial data.
2. Market capitalization is calculated based on the number of issued shares excluding treasury shares.
3. Cash flow is operating cash flow.
4. Interest-bearing liabilities include all interest-bearing liabilities recorded on the consolidated balance sheets.
5. The ratio of interest-bearing liabilities to cash flow for the fiscal years ended March 31, 2013, 2015, 2016 and 2017 are omitted because the Group had no interest-bearing liabilities in those years.
6. The interest coverage ratio for the fiscal years ended March 31, 2014 and 2107 are omitted because the Group paid no interest in those years.

(4) Dividend Policy and Dividends for the Year Ended March 31, 2017 and the Year Ending March 31, 2018

The Company pays dividends to continually return a fair share of its profits to its shareholders. Before doing so, it comprehensively assesses its operating results, dividend payout ratio and internally retained funds to ensure it has the means to also develop future businesses and strengthen its management structure based on a recognition that continual, long-term creation and enhancement of corporate value are fundamental drivers of shareholder returns. The Company plans to invest internally retained funds in servers and software to augment its websites' informational content and functionality and scale up its operations.

Based on such a basic policy, the Company plans to pay a year-end dividend of 14 yen per share for the fiscal year ended March 31, 2017. Including the previously paid interim dividend of 14 yen per share, the planned year-end dividend will bring total dividends for the fiscal year ended March 31, 2017, to 28 yen per share.

For the fiscal year ending March 31, 2018, the Company plans to again pay interim and year-end dividends. These dividends' amounts have yet to be determined, but the Company plans to set their amounts in light of its earnings performance, economic conditions and its annual consolidated dividend payout ratio of 42-43%, among other factors. The Company will promptly disclose the dividends' amounts once they have been determined.

2. Basic Approach to Selection of Accounting Standards

The Group plans to adopt International Financial Reporting Standards from the first quarter of the fiscal year ending March 31, 2018, to enhance its financial information's international comparability in capital markets.

3. Consolidated Financial Statements

（1） Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	28,319,130	30,890,051
Notes and accounts receivable - trade	5,764,560	5,430,780
Deferred tax assets	367,144	277,679
Other	226,052	445,728
Allowance for doubtful accounts	△3,202	△2,519
Total current assets	34,673,685	37,041,720
Non-current assets		
Property, plant and equipment		
Buildings	423,654	472,284
Accumulated depreciation	△180,049	△213,361
Buildings, net	243,604	258,923
Furniture and fixtures	1,697,946	2,009,887
Accumulated depreciation	△1,154,473	△1,441,665
Furniture and fixtures,net	543,472	568,222
Other	77,760	98,883
Accumulated depreciation	△8,887	△12,165
Other, net	68,873	86,718
Total property, plant and equipment	855,950	913,864
Intangible assets		
Goodwill	215,267	190,650
Software	1,651,728	1,896,095
Other	111,706	64,891
Total intangible assets	1,978,702	2,151,637
Investments and other assets		
Investment securities	675,582	1,202,411
Lease and guarantee deposits	605,172	612,160
Deferred tax assets	50,458	141,880
Other	68,946	67,722
Allowance for doubtful accounts	△4,505	△2,270
Total investments and other assets	1,395,654	2,021,904
Total non-current assets	4,230,306	5,087,406
Total assets	38,903,992	42,129,126

(Thousands of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	187,916	296,180
Accounts payable - other	1,117,414	1,031,779
Income taxes payable	3,780,017	3,488,384
Accrued consumption taxes	535,761	547,605
Provision for bonuses	384,694	386,531
Provision for directors' bonuses	—	34,500
Other	617,371	709,716
Total current liabilities	6,623,176	6,494,697
Non-current liabilities		
Asset retirement obligations	119,739	140,998
Other	50,060	95,052
Total non-current liabilities	169,799	236,050
Total liabilities	6,792,975	6,730,748
Net assets		
Shareholders' equity		
Capital stock	915,984	915,984
Capital surplus	819,037	819,037
Retained earnings	31,894,297	36,174,556
Treasury shares	△1,984,111	△3,019,049
Total shareholders' equity	31,645,208	34,890,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,810	90,730
Foreign currency translation adjustment	15,127	10,678
Total accumulated other comprehensive income	93,938	101,409
Subscription rights to shares	188,426	184,136
Non-controlling interests	183,442	222,302
Total net assets	32,111,016	35,398,378
Total liabilities and net assets	38,903,992	42,129,126

(2) Consolidated Statement of Income and Consolidated Statements of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	41,275,187	45,089,432
Cost of sales	3,876,306	4,493,429
Gross profit	37,398,880	40,596,003
Selling, general and administrative expenses		
Advertising expenses	4,160,281	4,174,663
Agent fee	3,336,090	3,640,260
Provision of allowance for doubtful accounts	787	—
Directors' compensations	406,341	407,056
Salaries and allowances	3,044,095	3,303,610
Bonuses	303,842	341,845
Provision for bonuses	287,196	277,180
Legal welfare expenses	554,365	595,557
Commission fee	3,972,851	4,514,511
Rents	612,563	688,133
Depreciation	104,521	133,615
Amortization of goodwill	24,616	24,616
Research and development expenses	—	104,166
Other	1,056,368	1,229,535
Total selling, general and administrative expenses	17,863,923	19,434,752
Operating profit	19,534,956	21,161,251
Non-operating income		
Interest income	16,530	1,959
Dividend income	5,682	6,507
Distribution profit	41,416	—
Subsidy income	—	4,482
Other	13,602	7,957
Total non-operating income	77,232	20,906
Non-operating expenses		
Interest expenses	8	—
Loss on investments in partnership	—	4,899
Commission for purchase of treasury shares	27,356	12,651
Other	4,254	593
Total non-operating expenses	31,619	18,144
Ordinary profit	19,580,569	21,164,013
Extraordinary income		
Gain on sales of investment securities	—	34,000
Gain on reversal of subscription rights to shares	—	2,982
Total extraordinary income	—	36,982
Extraordinary losses		
Loss on transfer of business	12,340	—
Total extraordinary losses	12,340	—
Profit before income taxes	19,568,229	21,200,995
Income taxes - current	6,484,928	6,317,668
Income taxes - deferred	△37,880	5,936

Total income taxes	6,447,047	6,323,604
Profit	13,121,181	14,877,390
Profit (loss) attributable to non-controlling interests	21,173	38,860
Profit attributable to owners of parent	13,100,008	14,838,530

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit	13,121,181	14,877,390
Other comprehensive income		
Valuation difference on available-for-sale securities	78,642	11,920
Foreign currency translation adjustment	△3,723	△4,449
Total other comprehensive income	74,919	7,470
Comprehensive income	13,196,100	14,884,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,174,927	14,846,001
Comprehensive income attributable to non-controlling interests	21,173	38,860

(3) Consolidated Statement of Changes in Shareholders' Equity
(April 1, 2015 to March 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	915,984	819,037	26,701,380	△2,249,264	26,187,137
Changes of items during period					
Dividends of surplus			△3,521,807		△3,521,807
Profit attributable to owners of parent			13,100,008		13,100,008
Purchase of treasury shares				△4,999,812	△4,999,812
Retirement of treasury shares			△4,309,879	4,309,879	—
Disposal of treasury shares		△75,404		955,087	879,683
Transfer of loss on disposal of treasury shares		75,404	△75,404		—
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,192,917	265,153	5,458,071
Balance at end of current period	915,984	819,037	31,894,297	△1,984,111	31,645,208

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	168	18,851	19,019	262,572	162,269	26,630,999
Changes of items during period						
Dividends of surplus						△3,521,807
Profit attributable to owners of parent						13,100,008
Purchase of treasury shares						△4,999,812
Retirement of treasury shares						—
Disposal of treasury shares				△110,164		769,518
Transfer of loss on disposal of treasury shares						—
Change of scope of consolidation						—
Net changes of items other than shareholders' equity	78,642	△3,723	74,919	36,019	21,173	132,111
Total changes of items during period	78,642	△3,723	74,919	△74,145	21,173	5,480,017
Balance at end of current period	78,810	15,127	93,938	188,426	183,442	32,111,016

(April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	915,984	819,037	31,894,297	△1,984,111	31,645,208
Changes of items during period					
Dividends of surplus			△7,628,625		△7,628,625
Profit attributable to owners of parent			14,838,530		14,838,530
Purchase of treasury shares				△4,220,107	△4,220,107
Retirement of treasury shares			△2,776,200	2,776,200	—
Disposal of treasury shares		△160,305		408,968	248,662
Transfer of loss on disposal of treasury shares		160,305	△160,305		—
Change of scope of consolidation			6,860		6,860
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	4,280,259	△1,034,938	3,245,320
Balance at end of current period	915,984	819,037	36,174,556	△3,019,049	34,890,528

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	78,810	15,127	93,938	188,426	183,442	32,111,016
Changes of items during period						
Dividends of surplus						△7,628,625
Profit attributable to owners of parent						14,838,530
Purchase of treasury shares						△4,220,107
Retirement of treasury shares						—
Disposal of treasury shares				△50,233		198,429
Transfer of loss on disposal of treasury shares						—
Change of scope of consolidation						6,860
Net changes of items other than shareholders' equity	11,920	△4,449	7,470	45,943	38,860	92,274
Total changes of items during period	11,920	△4,449	7,470	△4,289	38,860	3,287,361
Balance at end of current period	90,730	10,678	101,409	184,136	222,302	35,398,378

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	19,568,229	21,200,995
Depreciation	1,011,900	1,307,308
Loss (gain) on transfer of business	12,340	―
Amortization of goodwill	24,616	24,616
Share-based compensation expenses	36,019	45,943
Increase (decrease) in provision for bonuses	46,276	1,836
Increase (decrease) in provision for directors' bonuses	―	34,500
Increase (decrease) in allowance for doubtful accounts	540	△2,917
Interest income	△16,530	△1,959
Interest expenses	8	―
Gain on reversal of subscription rights to shares	―	△2,982
Distribution profit	△41,416	―
Dividend income	△5,682	△6,507
Loss (gain) on investments in partnership	―	4,899
Loss (gain) on sales of investment securities	―	△34,000
Decrease (increase) in notes and accounts receivable - trade	△814,714	333,779
Decrease (increase) in inventories	133	1,013
Increase (decrease) in notes and accounts payable - trade	64,732	108,263
Increase (decrease) in accrued consumption taxes	△385,966	12,218
Increase (decrease) in accounts payable - other	△69,196	△28,421
Increase (decrease) in advances received	190,692	45,525
Other, net	76,460	5,225
Subtotal	19,698,442	23,049,338
Interest and dividend income received	20,866	8,333
Interest expenses paid	△8	―
Income taxes paid	△6,417,495	△6,720,596
Net cash provided by (used in) operating activities	13,301,805	16,337,075
Cash flows from investing activities		
Purchase of property, plant and equipment	△261,036	△414,073
Purchase of intangible assets	△1,155,058	△1,186,779
Purchase of investment securities	△550,966	△510,010
Proceeds from withdrawal of time deposits	3,000,000	―
Proceeds from sales of investment securities	―	35,000
Payments for lease and guarantee deposits	△71,535	△10,169
Proceeds from collection of lease and guarantee deposits	2,572	3,035
Distribution profit	46,556	―
Proceeds from transfer of business	12,960	―
Other, net	△90	―
Net cash provided by (used in) investing activities	1,023,400	△2,082,996
Cash flows from financing activities		
Proceeds from disposal of treasury shares	299,919	―
Purchase of treasury shares	△5,027,169	△4,232,758
Cash dividends paid	△3,517,872	△7,625,241
Proceeds from exercise of share options	469,599	201,412
Net cash provided by (used in) financing activities	△7,775,524	△11,656,588

Effect of exchange rate change on cash and cash equivalents	△3,366	△4,445
Net increase (decrease) in cash and cash equivalents	6,546,315	2,593,044
Cash and cash equivalents at beginning of period	21,772,815	28,319,130
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	△22,124
Cash and cash equivalents at end of period	28,319,130	30,890,051

(5) Notes on Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable.

(Changes in accounting policy)

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

In conjunction with the reform of the Corporate Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32 of June 17, 2016) from the fiscal year ended March 31, 2017. As a result, the depreciation method of facilities attached to buildings and other structures acquired on and after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

The impact of this change on the profit or loss of the current fiscal year is minimal.

(Additional information)

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

Starting from the fiscal year ended March 31, 2017, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26 of March 28, 2016).

(Notes regarding significant changes in shareholders' equity)

(Acquisition and cancellation of treasury stock)

In accordance with a resolution passed by the Board of Directors on June 15, 2016, the Company conducted an acquisition of 1,495,800 shares in treasury stock, resulting in an increase in treasury stock by 2,999,904 thousand yen. In addition, in accordance with a resolution passed by the Board of Directors on August 4, 2016, the Company cancelled 1,400,000 shares in treasury stock, resulting in a decrease of both retained earnings and treasury stock by 2,776,200 thousand yen. Furthermore, in accordance with a resolution passed by the Board of Directors on March 15, 2017, the Company conducted an acquisition of 761,000 shares in treasury stock, resulting in an increase in treasury stock by 1,220,203 thousand yen.

As a result, retained earnings at the end of the current fiscal year was 36,174,556 thousand yen and treasury stock was 3,019,049 thousand yen.

(Segment Information)

[Segment Information]

1. Outline of reportable segments

The Company's reportable segments comprise the business units of the Company for which separate financial information is available and of which the Board of Directors periodically conducts reviews for the purpose of determining the allocation of management resources and evaluating their business results.

The Company has established business divisions and subsidiaries by product/service, and each business division and subsidiary draws up comprehensive domestic and overseas strategies of the services for which it is responsible and engages in business activities.

The Company, thus, comprises segments based on services under the business divisions and subsidiaries, which have been divided into the reportable segments of Internet Media and Finance.

The Internet Media segment mainly operates *kakaku.com*, a customer purchasing support site which provides necessary information relating to the purchase of various products and services on the Internet; as well as *tabelog*, a ranking and word-of-mouth restaurant review site ; *yoyaQ.com*, a site for hotel deals and last minute discounts; *kinarino*, a lifestyle media for women; *Sumaity*, a real estate/housing information site; *4travel*, a travel review and comparison site operated by 4travel, Inc., a consolidated subsidiary; *eiga.com*, a comprehensive movie information site operated by eiga.com, Inc., a consolidated subsidiary; *webCG*, a dedicated automobile site operated by webCG, Inc., a consolidated subsidiary; and dynamic package business of the consolidated subsidiary, Time Design Co., Ltd.

The Finance segment is engaged in the insurance agency business through Kakaku.com Insurance, Inc., a consolidated subsidiary.

2. Method of calculating the amounts of sales, income/loss, assets, liabilities and other items by reportable segment.

Segment income represent the values of operating income.

Inter-segment sales or transfers are based on prevailing market prices.

3. Information on the amounts of sales, income/loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Unit: ¥ thousand)

	Reportable segment		
	Internet Media	Finance	Total
Net sales			
Sales to external customers	40,248,414	1,026,773	41,275,187
Inter-segment sales or transfers	1,640	5	1,645
Total	40,250,054	1,026,778	41,276,832
Segment income	19,251,723	278,393	19,530,116
Segment assets	38,069, 652	899,994	38,969,647
Other items			
Depreciation	1,004,546	7,353	1,011,900
Amortization of goodwill	24,616	-	24,616
Impairment loss	-	-	-
Net increase in property, plant and equipment, and intangible assets	1,411,739	37,078	1,448,817

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Unit: ¥ thousand)

	Reportable segment		
	Internet Media	Finance	Total
Net sales			
Sales to external customers	44,161,524	927,908	45,089,432
Inter-segment sales or transfers	2,536	-	2,536
Total	44,164,060	927,908	45,091,969
Segment income	21,024,185	132,265	21,156,451
Segment assets	41,286,926	910,454	42,197,381
Other items			
Depreciation	1,293,328	13,979	1,307,308
Amortization of goodwill	24,616	-	24,616
Impairment loss	-	-	-
Net increase in property, plant and equipment, and intangible assets	1,538,775	24,075	1,562,851

4. Reconciliation of total reportable segment amounts to consolidated financial statements and the main reasons for the differences (Matters pertaining to reconciliation of difference)

(Unit: ¥ thousand)

Net sales	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Total of reportable segments	41,276,832	45,091,969
Elimination of intersegment transactions	(1,645)	(2,536)
Net sales reported in the Consolidated Financial Statements	41,275,187	45,089,432

(Unit: ¥ thousand)

Income	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Total of reportable segments	19,530,116	21,156,451
Elimination of intersegment transactions	4,840	4,800
Operating income reported in the Consolidated Financial Statements	19,534,956	21,161,251

(Unit: ¥ thousand)

Assets	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Total of reportable segments	38,969,647	42,197,381
Elimination of intersegment transactions	(65,655)	(68,254)
Total assets reported in the Consolidated Financial Statements	38,903,992	42,129,126

(Unit: ¥ thousand)

	Total of reportable segments		Adjustments		Amount reported in the Consolidated Financial Statements	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Depreciation	1,011,900	1,307,308	-	-	1,011,900	1,307,308
Amortization of goodwill	24,616	24,616	-	-	24,616	24,616
Impairment loss	-	-	-	-	-	-
Net increase in property, plant and equipment, and intangible assets	1,448,817	1,562,851	-	-	1,448,817	1,562,851

[Related information]

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

1. Information by product and service

Information was omitted from disclosure, as similar information is disclosed in *Segment Information* above.

2. Information by geographic area

(1) Net sales

Information was omitted from disclosure, as sales to external customers in Japan account for more than 90% of net sales reported in the Consolidated Statement of Income.

(2) Property, plant and equipment

Information was omitted from disclosure, as the amount of property, plant and equipment located in Japan accounts for more than 90% of the total property, plant and equipment reported in the Consolidated Balance Sheet.

3. Information by major customer

Information was omitted from disclosure, as there are no specific customers to which sales account for more than 10% of net sales in the Consolidated Statement of Income.

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

1. Information by product and service

Information was omitted from disclosure, as similar information is disclosed in *Segment Information* above.

2. Information by geographic area

(1) Net sales

Information was omitted from disclosure, as sales to external customers in Japan account for more than 90% of net sales reported in the Consolidated Statement of Income.

(2) Property, plant and equipment

Information was omitted from disclosure, as the amount of property, plant and equipment located in Japan accounts for more than 90% of the total property, plant and equipment reported in the Consolidated Balance Sheet.

3. Information by major customer

Information was omitted from disclosure, as there are no specific customers to which sales account for more than 10% of net sales in the Consolidated Statement of Income.

[Information concerning impairment loss for non-current assets by reportable segment]

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

Not applicable.

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

Not applicable.

[Information concerning amortization of goodwill and unamortized balances by reportable segment]

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Unit: ¥ thousand)

	Internet Media	Finance	Corporate / eliminations	Total
Amortization during the period	24,616	-	-	24,616
Unamortized balance at end of the period	215,267	-	-	215,267

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Unit: ¥ thousand)

	Internet Media	Finance	Corporate / eliminations	Total
Amortization during the period	24,616	-	-	24,616
Unamortized balance at the end of the period	190,650	-	-	190,650

[Information concerning gain on negative goodwill by reportable segment]

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

Not applicable.

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

Not applicable.

(Per share data)

	Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
Net assets per share	¥145.23	¥161.63
Profit per share - basic	¥59.59	¥68.23
Profit per share – fully diluted	¥59.49	¥68.20

(Note) 1. The basis for calculating net assets per share is as follows.

	As of March 31, 2016	As of March 31, 2017
Total net assets (in thousands of yen)	32,111,016	35,398,378
Amount deducted from total net assets (in thousands of yen)	371,869	406,439
[Stock acquisition rights] (in thousands of yen)	[188,426]	[184,136]
[Non-controlling interests] (in thousands of yen)	[183,442]	[222,302]
Net assets attributable to common stock at the fiscal year-end (in thousands of yen)	31,739,147	34,991,938
Number of common stock at the fiscal year-end used for the calculation of net assets per share (shares)	218,540,975	216,491,775

(Note) 2. The basis for calculating profit per share and diluted profit per share is as follows.

	Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
Profit per share - basic		
Profit attributable to owners of parent (in thousands of yen)	13,100,008	14,838,530
Amounts not attributable to common shareholders (in thousands of yen)	-	-
Profit attributable to owners of parent attributable to common stock (in thousands of yen)	13,100,008	14,838,530
Average number of outstanding common stock during the period (shares)	219,829,806	217,463,481
Profit per share – fully diluted		
Adjustments to profit attributable to owners of parent (in thousands of yen)	-	-
Increase in number of common stock (shares)	362,610	119,087
[Stock acquisition rights] (shares)	[362,610]	[119,087]
Summary of dilutive stock not included in the calculation of diluted profit per share due to not having dilutive effects	Stock acquisition rights issued by consolidated subsidiaries 4travel, Inc.	7th Series of Stock Acquisition Rights by resolution of Board of Directors on November

	Common stock 258 units Time Design Co., Ltd. Common stock 272 units	20, 2013 (Number of stock acquisition rights: 1,768 units) 8th Series of Stock Acquisition Rights by resolution of Board of Directors on August 17, 2016 (Number of stock acquisition rights: 288 units) 9th Series of Stock Acquisition Rights by resolution of Board of Directors on August 17, 2016 (Number of stock acquisition rights: 1,150 units) Stock acquisition rights issued by consolidated subsidiaries 4travel, Inc. Common stock 138 units Time Design Co., Ltd. Common stock 272 units

(Significant Subsequent Events)

Not applicable.