(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 2371
June 5, 2017

To Our Shareholders:

Shonosuke Hata
President and Representative Director
Kakaku.com, Inc.
3-5-7 Ebisu-Minami, Shibuya-ku, Tokyo

Notice of the 20th Annual General Meeting of Shareholders

You are cordially invited to attend the 20th Annual General Meeting of Shareholders of Kakaku.com, Inc. (the "Company"), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 7:00 p.m. on Tuesday, June 20, 2017 (JST).

[Exercise of voting rights in writing (voting card)]

Please indicate your approval or disapproval to each proposal on the enclosed voting card, and return it so that it will be received by us no later than the above date and time.

[Exercise of voting rights via the Internet]

Please read the "Instructions for exercising voting rights via the Internet" on page 49 and access the voting website designated by the Company (http://www.web54.net), and exercise your voting rights no later than the above date and time.

1. **Date and Time:** Wednesday, June 21, 2017, at 10:00 a.m.
2. **Venue:** "HOHRAI," 2nd floor, Meiji Kinenkan
   2-2-23 Moto-Akasaka, Minato-ku, Tokyo
3. **Purpose of the Meeting**

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 20th fiscal year (from April 1, 2016 to March 31, 2017), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-Consolidated Financial Statements for the 20th fiscal year (from April 1, 2016 to March 31, 2017)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Eleven (11) Directors
Proposal No. 3: Election of One (1) Audit & Supervisory Board Member
Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal No. 5: Revision of Compensation Amount for Directors

1. When you attend the meeting, you are kindly requested to present the enclosed voting card at the reception at the meeting.
2. If it becomes necessary to make changes to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements or the Reference Documents for General Meeting of Shareholders, such changes will be posted on the Company's website. (http://corporate.kakaku.com/ir)

(Attached materials)

Business Report

(From April 1, 2016 to March 31, 2017)

1. Current Status of the Group

(1) Progress of the business and the results thereof

The Company operates businesses across a wide range of genres with the mission "to create valuable user-oriented services." Beginning with the price comparison site "Kakaku.com" which has been providing services since the Company was established, we now provide at least 20 services, including the restaurant ranking and review site "Tabelog." Each individual business has been aiming to achieve sustained growth driving the performance of the Group as a whole.

In the fiscal year ended March 31, 2017, Japanese personal consumption remained sluggish even amid steady recovery in the employment market in response to government policies. In contrast, Japan's B2C e-commerce market grew a solid 7.6% to ¥13.8 trillion in the year through March 2016. The e-commerce share of Japan's total retail sales is 4.8%, which is still low compared to the global norm, so further market growth can be expected. (*1) Additionally, the Japanese restaurant industry's market grew 2.2% to ¥25.1 trillion 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. The Kakaku.com increased its gross merchandise volume by improving its site's usability in the consumer goods categories while augmenting and upgrading service categories' content. The 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 reached a cumulative total of over 14 million seat reservations as of March 31, 2017. Kinarino, a lifestyle media for women, worked on increasing user referrals and repeat users in the aim of growing Kinarino Mall's gross transaction volume. Consolidated subsidiary Time Design Co., Ltd., which operates a dynamic package business, upgraded its reservation system and developed new alliances with credit card companies.

As a result, consolidated net sales grew 9.2% year on year to ¥45,089 million, consolidated operating income grew 8.3% year on year to ¥21,161 million, consolidated recurring profit grew 8.1% year on year to ¥21,164 million and consolidated profit attributable to shareholders of parent grew 13.3% year on year to ¥14,838 million 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.

Results by segment are as follows.

1) Internet Media Business

The Internet media business's net sales grew 9.7% year on year to ¥44,161 million while its operating income grew 9.2% year on year to ¥21,024 million 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 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. Although advertising sales from automotive manufacturers increased, the increase was offset by a reduction in advertising from consumer electronics brands. Additionally, network advertising revenues decreased due to a

decrease in traffic. In Kakaku.com's service categories, net sales increased 10.6% year on year to ¥7,986 million in the wake of brisk growth in commissions 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 in the fiscal year ended March 31, 2017.

[Tabelog]

The 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. The Tabelog also increased its revenues from individual users through acquiring fee-paying individual subscribers.

As a result, Tabelog's net sales grew 17.9% year on year to ¥18,608 million 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 package business. Real estate/housing information site Sumaity increased its commission revenues by upgrading its content and strengthening its sales. Kinarino, a lifestyle media for women, 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 in the fiscal year ended March 31, 2017.

2) Finance Business

Consolidated subsidiary Kakaku.com Insurance, Inc.'s insurance agency business, saw a decrease in the number of applications due to a decrease in traffic.

The finance business's net sales consequently decreased 9.6% year on year to ¥927 million while its operating income decreased 52.5% year on year to ¥132 million in the fiscal year ended March 31, 2017.

(2) Capital expenditures

Capital expenditures in the fiscal year under review stood at ¥1,562 million, and the principal components were expenditures on system-related servers and software.

(3) Fund procurement

No items to report.

(4) Business transfer, absorption-type company split and incorporation-type company split

No items to report.

(5) Business transfers from other companies

No items to report.

(6) Succession of rights and obligations relating to other entities' business as a result of absorption-type merger or company split

No items to report.

(7) Acquisition or disposal of shares, other equities or subscription rights to shares of other companies

No items to report.

(8) Issues to be addressed

The Group had its origins in the price comparison site "Kakaku.com" and has subsequently developed new businesses through diverse websites, including hotel deals and last minute discounts "yoyaQ.com," travel review and comparison site "4travel," restaurant ranking and review site "Tabelog," movie discovery platform "eiga.com," real estate/housing information website "Sumaity," and lifestyle media for women "Kinarino." Going forward, in addition to enhancing the existing content, the Company will acquire new users by developing new content and expanding into peripheral businesses. At the same time, it is the Company's policy to continue building new revenue models.

In tandem with the recent rapid expansion in the scope of business, the Company has been carrying out active recruitment. Going forward, the Company will work to boost organizational capabilities by strengthening training for employees in pace with the increase in personnel. It is also the Company's policy to continuously promote the establishment and enhancement of the internal control system and make efforts to strengthen internal management structures.

In addition, in the businesses that the Company operates, the security, development, and maintenance and management structure for website related systems are critical due to the nature of the businesses, and we need to keep enhancing these structures. It is the Company's policy to continuously maintain security adapted to changes in the market environment and to establish system development and system maintenance and management structures.

(9) Status of assets and profit and loss

Category	17th fiscal year (Fiscal year ended March 31, 2014)	18th fiscal year (Fiscal year ended March 31, 2015)	19th fiscal year (Fiscal year ended March 31, 2016)	20th fiscal year (Fiscal year under review) (Fiscal year ended March 31, 2017)
Net sales (Thousands of yen)	29,814,010	35,787,083	41,275,187	45,089,432
Recurring profit (Thousands of yen)	14,774,198	17,167,742	19,580,569	21,164,013
Profit attributable to shareholders of parent (Thousands of yen)	9,066,075	10,890,240	13,100,008	14,838,530
Earnings per share (Yen)	40.46	49.19	59.59	68.23
Total assets (Thousands of yen)	32,670,334	33,412,598	38,903,992	42,129,126
Net assets (Thousands of yen)	26,429,831	26,630,999	32,111,016	35,398,378
Net assets per share (Yen)	115.89	119.06	145.23	161.63

(10) Important parent company and subsidiaries

1) Important parent company

No items to report.

2) Important subsidiaries

Name	Common stock	Ratio of ownership	Major business
forTravel, Inc.	¥191 million	90.2%	Provision of information via the Internet
Kakaku.com Insurance, Inc.	¥105 million	100.0%	Insurance agency business
eiga.com, Inc.	¥26 million	70.0%	Provision of information via the Internet
Time Design Co., Ltd.	¥135 million	58.1%	Dynamic package business
webCG, Inc.	¥10 million	66.5%	Provision of information via the Internet

(11) Summary of major businesses (As of March 31, 2017)

1) Internet Media Business

This business plans and operates the price comparison site "Kakaku.com," restaurant ranking and review site "Tabelog," real estate/housing information website "Sumaity," hotel deals and last minute discounts "yoyaQ.com," lifestyle media for women "Kinarino," travel review and comparison site "4travel," movie discovery platform "eiga.com," and the online automobile magazine "webCG," in addition to developing and providing a dynamic package system.

2) Finance Business

This business operates the insurance agency business.

(12) Principal Offices (As of March 31, 2017)

Name	Location
Head Office and operation base	3-5-7 Ebisu-Minami, Shibuya-ku, Tokyo
Kansai Branch	1-11-4 Umeda, Kita-ku, Osaka City, Osaka

(13) Major lenders (As of March 31, 2017)

No items to report.

(14) Employees (As of March 31, 2017)

1) Employees of the Group

Business segment	Number of employees	Change from the previous fiscal year-end
Internet Media Business	664 (116)	Increase of 14 (increase of 7)
Finance Business	63 (5)	Increase of 5 (increase of 3)
Total	727 (121)	Increase of 19 (increase of 10)

Note: The number of employees indicates the number of working employees, and the average number of temporary employees during this fiscal year is given in parentheses separately.

2) Employees of the Company

Number of employees	Change from the previous fiscal year-end	Average age	Average years of service
592 (101)	Increase of 6 (increase of 20)	34.8 years old	4.7 years

Note: The number of employees indicates the number of working employees, and the average number of temporary employees during this fiscal year is given in parentheses separately.

2. Shares of the Company (As of March 31, 2017)

(1) Total number of shares authorized: 768,000,000 shares

(2) Total number of shares issued: 218,160,100 shares

Note: The total number of shares issued decreased by 1,400,000 shares due to the retirement of treasury stock conducted on August 31, 2016.

(3) Number of shareholders: 24,058 (increased by 10,610 from the previous fiscal year-end)

(4) Major shareholders (top 10 shareholders):

Name of shareholder	Number of shares held	Ratio of shareholding
Digital Garage, Inc.	44,450,000 shares	20.53%
DENTSU INC.	35,016,000 shares	16.17%
STATE STREET BANK AND TRUST COMPANY	8,520,495 shares	3.94%
Japan Trustee Services Bank, Ltd. (Trust Account)	7,578,600 shares	3.50%
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,106,300 shares	3.28%
JPMorgan Chase Bank 380055	6,330,167 shares	2.92%
JPMorgan Chase Bank 385632	4,129,030 shares	1.91%
THE BANK OF NEW YORK MELLON CORPORATION 140044	3,457,425 shares	1.60%
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	2,886,000 shares	1.33%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,737,100 shares	1.26%

Note: Calculations of ratio of shareholding exclude treasury stock (1,668,325 shares).

3. Subscription rights to shares of the Company

(1) Subscription rights to shares delivered as consideration for performance of duties held by officers of the Company as of the end of the fiscal year under review

6th series subscription rights to shares (by resolution of the meeting of the Board of Directors held on April 17, 2013 based on the resolution of the Annual General Meeting of Shareholders held on June 26, 2012)

• Amount of payments for subscription rights to shares

Payment of money for subscription rights to shares shall not be required.

• Amount of contributions upon exercise of subscription rights to shares

¥513,600 per subscription right to shares (¥1,284 per share)

• Period during which subscription rights to shares can be exercised

From May 3, 2015 to May 2, 2018

• Ownership by officers of the Company

	Number of subscription rights to shares	Number of shares underlying the subscription rights to shares	Number of holders
Directors of the Company (excluding external Directors)	220	88,000 shares	7

Note: The Company implemented a 1:2 stock split on April 1, 2013 and a 1:2 stock split on September 1, 2013. In conjunction with this, the amount of contributions upon exercise of subscription rights to shares and the number of shares to be issued upon exercise of subscription rights to shares have been adjusted.

8th series subscription rights to shares (by resolution of the meeting of the Board of Directors held on August 17, 2016 based on the resolution of the Annual General Meeting of Shareholders held on June 23, 2016)

• Amount of payments for subscription rights to shares

¥167,000 per subscription right to shares (¥1,670 per share)

• Amount of contributions upon exercise of subscription rights to shares

¥100 per subscription right to shares (¥1 per share)

• Period during which subscription rights to shares can be exercised

From September 2, 2016 to September 1, 2046

• Ownership by officers of the Company

	Number of subscription rights to shares	Number of shares underlying the subscription rights to shares	Number of holders
Directors of the Company (excluding external Directors)	288	28,800 shares	6

9th series subscription rights to shares (by resolution of the meeting of the Board of Directors held on August 17, 2016 based on the resolution of the Annual General Meeting of Shareholders held on June 26, 2012)

• Amount of payments for subscription rights to shares

Payment of money for subscription rights to shares shall not be required.

• Amount of contributions upon exercise of subscription rights to shares

¥185,400 per subscription right to shares (¥1,854 per share)

• Period during which subscription rights to shares can be exercised

From September 3, 2018 to September 2, 2021

• Ownership by officers of the Company

	Number of subscription rights to shares	Number of shares underlying the subscription rights to shares	Number of holders
Directors of the Company (excluding external Directors)	90	9,000 shares	1

(2) Subscription rights to shares delivered as consideration for performance of duties by employees, etc. during the fiscal year under review

9th series subscription rights to shares (by resolution of the meeting of the Board of Directors held on August 17, 2016)

• Amount of payments for subscription rights to shares

Payment of money for subscription rights to shares shall not be required.

• Amount of contributions upon exercise of subscription rights to shares

¥185,400 per subscription right to shares (¥1,854 per share)

• Period during which subscription rights to shares can be exercised

From September 3, 2018 to September 2, 2021

• Ownership by employees of the Company

	Number of subscription rights to shares	Number of shares underlying the subscription rights to shares	Number of individuals to whom stock acquisition rights have been issued
Employees of the Company	1,010	101,000 shares	15
Officers of subsidiaries	50	5,000 shares	1

4. Officers of the Company

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2017)

Position	Name	Responsibility at the Company and significant concurrent positions outside the Company
Chairman of the Board	Kaoru Hayashi	Representative Director, President Executive Officer and Group CEO, Digital Garage, Inc. External Director, Monex Group, Inc. Outside Director, Credit Saison Co., Ltd.
Vice-Chairman and Director	Minoru Tanaka	Responsible for Global Strategy, IR and Risk Management
President and Representative Director	Shonosuke Hata	
Director	Kenji Fujiwara	External Board Director, Digital Garage, Inc. External Director, Sundrug Co., Ltd.
Director	Hajime Uemura	Responsible for Administration, Human Resources and Legal Affairs
Director	Shingo Yuki	Responsible for Media Planning, Marketing and Customer Service
Director	Atsuhiro Murakami	Responsible for Tabelog, Travel, New Business and Group Strategy External Director, Bengo4.com, Inc.
Director	Oki Matsumoto	Managing Director & Chairman, Representative Executive Officer, President, Monex Group, Inc. Representative Director, Chairman and CEO, Monex, Inc. Independent Director, Mastercard Incorporated External Director, UZABASE, Inc.
Director	Yoshiharu Hayakawa	Certified Public Accountant Representative, Kasumi Research Empowerment Institute External Director, DAI-ICHI HOKI CO., LTD. External Director, Ryoyo Electro Corporation External Director, Sanrio Company, Ltd.
Director	Nobuyuki Toya	Executive Officer, DENTSU INC.
Director	Shiho Konno	Attorney-at-law External Director, Watami Co., Ltd.
Full-time Audit & Supervisory Board Member	Hiroshi Maeno	
Audit & Supervisory Board Member	Toshio Takano	Attorney-at-law External Director, Mori Building Investment Management Co., Ltd. External Auditor, Revamp Corporation External Audit & Supervisory Board Member, NAGASE & CO., LTD. External Corporate Auditor, Daicel Corporation External Audit & Supervisory Board Member, FANCL CORPORATION
Audit & Supervisory Board Member	Erica Okada	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Outside Director, Resona Bank, Limited

Notes: 1. Directors Oki Matsumoto, Yoshiharu Hayakawa, Nobuyuki Toya and Shiho Konno are external Directors.

2. Audit & Supervisory Board Members Toshio Takano and Erica Okada are external Audit & Supervisory Board Members.

3. The Company has submitted notification to the Tokyo Stock Exchange that Directors Oki Matsumoto, Yoshiharu Hayakawa and Shiho Konno, and Audit & Supervisory Board Members Toshio Takano and Erica Okada have been designated as independent officers as provided for by the aforementioned exchange.

4. In addition to having obtained an MBA from the Tuck School of Business, Dartmouth College and a doctorate from The Wharton School, The University of Pennsylvania, Audit & Supervisory Board Member Erica Okada has practical experience at financial institutions, a qualification of the Chartered Financial Analyst, and a considerable degree of knowledge on finance and accounting.

(2) Outline of limited liability agreements

The Company has entered into agreements with each external Director and external Audit & Supervisory Board Member to limit the liability for damages under Article 423, paragraph 1 of the Companies Act based on the provision of Article 427, paragraph 1 of the Companies Act.

These agreements limit the amount of their liability for compensation to the minimum amounts stipulated in laws and regulations.

(3) Amount of remuneration to Directors and Audit & Supervisory Board Members

	Total amount of remuneration	Total amount of remuneration, etc. by each category			Number to be paid
		Basic remuneration	Stock options	Bonuses	
Directors (excluding external Directors)	¥274 million	¥205 million	¥34 million	¥34 million	8
Audit & Supervisory Board Members (excluding external Audit & Supervisory Board Members)	¥23 million	¥23 million	–	–	1
External Officers	¥42 million	¥42 million	–	–	5

Notes: 1. The above table includes the amount of remuneration during the tenure of one Director who retired from office at the conclusion of the 19th Annual General Meeting of Shareholders held on June 23, 2016.

2. One external Director is without remuneration.

3. The amount of stock options described above is the amount charged in the fiscal year ended March 31, 2017 out of the expense for the stock options granted to the seven Directors (excluding external Directors) (the 8th series subscription rights to shares and 9th series subscription rights to shares).

(4) External Officers

1) Significant concurrent positions as executive at other organizations and relationships between the Company and the relevant organizations

Director Oki Matsumoto is the Managing Director & Chairman, Representative Executive Officer, President of Monex Group, Inc. and the Representative Director, Chairman and CEO of Monex, Inc. There is no special interest between the said companies and the Company.

Director Yoshiharu Hayakawa is the Representative of Kasumi Research Empowerment Institute. There is no special interest between the said institute and the Company.

Director Nobuyuki Toya is an Executive Officer of DENTSU INC. The aforementioned company is a major shareholder of the Company and an "other affiliated company." DENTSU INC. has also signed a letter of intent concerning a business alliance with the Company.

2) Significant concurrent positions as external officer at other organizations and relationships between the Company and the relevant organizations

Director Oki Matsumoto is an Independent Director of Mastercard Incorporated and External Director of UZABASE, Inc. There is no special interest between each of the companies where concurrent positions are held and the Company.

Director Yoshiharu Hayakawa is an External Director of DAI-ICHI HOKI CO., LTD., Ryoyo Electro Corporation and Sanrio Company, Ltd. There is no special interest between each of the companies where concurrent positions are held and the Company.

Director Shiho Konno is an External Director of Watami Co., Ltd. Although the Company has a business relationship with Watami Co., Ltd., the transaction amount between the two companies is less than 0.1% of consolidated net sales of the Company for the fiscal year under review.

Audit & Supervisory Board Member Toshio Takano is an External Director of Mori Building Investment Management Co., Ltd. and External Auditor of Revamp Corporation, External Audit & Supervisory Board Member of NAGASE & CO., LTD., External Corporate Auditor of Daicel Corporation and External Audit & Supervisory Board Member of FANCL CORPORATION. There is no special interest between each of the companies where concurrent positions are held and the Company.

Audit & Supervisory Board Member Erica Okada is an Outside Director of Resona Bank, Limited. There is no special interest between the said company and the Company.

3) Major activities in the fiscal year under review

Director Oki Matsumoto attended all of the 17 meetings of the Board of Directors held during the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on his extensive knowledge in finance and experience as a manager.

Director Yoshiharu Hayakawa attended 15 of the 17 meetings of the Board of Directors held during the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on his professional expertise as a certified public accountant and experience as external officers at other companies.

Director Nobuyuki Toya attended 16 of the 17 meetings of the Board of Directors held in the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on his extensive knowledge and wide-ranging experience in the advertising business.

Director Shiho Konno attended all 13 meetings of the Board of Directors held since assuming her post on June 23, 2016. She gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on her professional expertise as an attorney-at-law and experience as external officers at other companies.

Audit & Supervisory Board Member Toshio Takano attended all 17 meetings of the Board of Directors and 6 of the 7 meetings of the Audit & Supervisory Board held in the fiscal year under review. He gives opinions for ensuring the appropriateness and validity of decision-making of the Board of Directors at the meetings of the Board of Directors based on his professional expertise as an attorney-at-law and experience as external officers at other companies. Also, he properly offers necessary views about internal control and internal audit of the Company at the meetings of the Audit & Supervisory Board.

Audit & Supervisory Board Member Erica Okada attended 15 of the 17 meetings of the Board of Directors and all 7 meetings of the Audit & Supervisory Board held during the fiscal year under review. She makes statements at the Board of Directors to ensure the appropriateness and validity of decision-making of the Board of Directors based on her wide-ranging knowledge as a university professor and her experience cultivated through investment banking and finance at banks and corporations. Also, she properly offers necessary views about internal control and internal audit of the Company at the meetings of the Audit & Supervisory Board.

5. Financial Auditor

(1) Financial Auditor's name Deloitte Touche Tohmatsu LLC

(2) Financial Auditor's compensation, etc. for the fiscal year under review

1) Amount of compensations, etc. paid for services rendered as Financial Auditor during the fiscal year under review ¥34 million

2) Total money and other economic benefits to be paid to the Financial Auditor by the Company and its subsidiaries ¥44 million

Notes: 1. The audit contract between the Company and the Financial Auditor does not clearly distinguish between compensation paid for the audit conducted in accordance with the Companies Act and compensation paid for the audit conducted in accordance with the Financial Instruments and Exchange Act. Accordingly, the amount in 1) includes the compensation paid for the audit conducted in accordance with the Financial Instruments and Exchange Act.

2. The Audit & Supervisory Board carried out the necessary investigation into whether the content of the audit plan of the Financial Auditor, the state of execution of financial auditing duties, and the basis for the calculation of compensation, etc. estimates are appropriate, deemed it to be suitable and approved the compensation, etc. for the Financial Auditor.

(3) Details of non-auditing services

The company commissions and pays compensation for advice and guidance relating to accounting matters and disclosure of information to Deloitte Touche Tohmatsu LLC.

(4) Policy on decision for dismissal or non-reappointment of Financial Auditor

When any of the matters prescribed in the items in Article 340, paragraph 1 of the Companies Act are applicable to the Financial Auditor, the Audit & Supervisory Board will dismiss the Financial Auditor with the full consensus of the Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the dismissal of the Financial Auditor and the reason for dismissal at the first General Meeting of Shareholders to be held after the dismissal.

It should be noted that the Audit & Supervisory Board takes into consideration the continuous number of years of auditing, etc. by the Financial Auditor in determining the content of the proposal on the dismissal or non-reappointment of the Financial Auditor to be submitted to the General Meeting of Shareholders.

6. System for Ensuring Properness of Operations and Status of Operation of the System

(1) System for Ensuring Properness of Operations

1) Systems to ensure that the performance of duties by Directors and employees conforms to laws and regulations and the Articles of Incorporation

a. In order to achieve proper and sound management, the Company shall establish a compliance system so that the conduct of Directors and employees conforms to laws and regulations inside and outside Japan, internal regulations and rules such as social norms and ethics.
In addition, to reinforce this, the Administrative Division shall oversee Company-wide compliance initiatives, and the Company will provide training for officers and employees under the direction of this Division. The Internal Audit Department will audit the status of compliance in collaboration with the Administrative Division. These activities shall be reported regularly to the Board of Directors and the Audit & Supervisory Board Members.

b. The Company shall have no relationship at all with anti-social forces that pose a threat to social order and sound corporate activities and will respond resolutely in a systematic and legal manner in cooperation with outside professionals. Moreover, the Company shall not respond to unreasonable and unjust demands to provide benefits.

2) Matters related to the preservation and management of information concerning the performance of duties by Directors

In accordance with the Document Handling Regulations, the Directors shall record and retain information concerning the execution of duties by the Directors or the conduct of employees when the Directors use employees to execute duties in documentation or electronic media ("documentation, etc." below). The Directors, the Audit & Supervisory Board Members, and the Internal Audit Department shall be able to inspect this documentation, etc., in accordance with the Document Handling Regulations.

3) Regulations concerning management of risk of loss and other systems

The Company shall formulate regulations and guidelines and provide training on compliance and information security risks. The Legal Department and the Information Security Department shall monitor the status of cross-departmental risk and take Company-wide responses. The Board of Directors shall promptly designate a Director to be in charge of the response to significant new risks that arise.

4) Systems to ensure that the duties of Directors are performed efficiently

The Company shall build systems to achieve Company-wide operational efficiency. Under these systems, the Board of Directors shall establish Company-wide targets that are shared by the Directors and employees. To achieve these targets, Directors in charge of duties shall stipulate the specific targets for each department and efficient means for achieving the targets, including a division of authority based on the Company's rules on division of authority and decision-making. The Board of Directors will utilize IT to review progress regularly and promote improvements.

5) Systems to ensure that business is conducted properly in the Group consisting of the Company and subsidiaries

a. The Company shall assign officers and employees, etc. to each Group company and appoint the Company's officers and employees, etc. as directors at Group companies to oversee the properness of operations at each Group company in addition to establishing systems to enable the identification and improvement of issues concerning efficiency in the execution of duties. Furthermore, the Company shall appoint a Director to be in charge of business at each Group company and grant the authority and responsibility to create a compliance system and risk management system, which the department at the Company with responsibility for the management of each Group company will promote and manage company-wide. The Company shall respect the autonomy of management at Group companies while receiving regular reports on the content of business as well as discussing important matters for each Group company in advance.

b. The Company's Internal Audit Department shall conduct regular audits of Group companies and establish a system for reporting the results of audits to the Company's President and Representative Director and the Audit & Supervisory Board Members.

c. The Company shall establish a system for reporting promptly to the department with responsibility for the management of each Group company when the occurrence or possible occurrence of an incident that is a violation of laws and regulations or internal regulations is detected at a Group company.

6) Matters concerning employees when the Audit & Supervisory Board Members request the assignment of employees to assist with their duties and matters concerning the ensuring of the independence of those employees from the Directors and the effectiveness of instructions to those employees

The Audit & Supervisory Board Members shall be able to direct the employees assigned to the Internal Audit Department in the matters required for auditing, and employees who have received directions required for auditing from the Audit & Supervisory Board Members shall not receive instructions and orders from the Directors regarding the directions received from the Audit & Supervisory Board Members.

It should be noted that when the Audit & Supervisory Board Members have made a request, there shall be an exchange of opinions with the President and Representative Director, and full-time auditing staff shall be assigned as necessary in order to assist with the Audit & Supervisory Board Members' duties. The President and Representative Director shall exchange opinions in advance with the Audit & Supervisory Board Members regarding the personnel changes and evaluations and gain the approval of the Audit & Supervisory Board Members.

7) Systems for the Directors and employees, etc. and the Directors, Audit & Supervisory Board Members, employees, etc. of subsidiaries to report to the Company's Audit & Supervisory Board Members and other systems for reporting to the Audit & Supervisory Board Members

The Company shall establish systems for the Company's Directors and employees, etc. and the Directors, Audit & Supervisory Board Members, and employees, etc. of Group companies to report as quickly as possible to the Company's Audit & Supervisory Board Members directly and indirectly through an internal reporting system, etc. on matters that will seriously affect the Company and the Group and the status of compliance in addition to legal matters. The method for reporting (reporter, recipient of report, timing of reports, etc.) shall be determined through consultation with the Audit & Supervisory Board Members.

8) Systems to ensure that a person who made a report in the preceding item shall not be discriminated against by reason of having made the relevant report

The Company shall prohibit discrimination against all Group officers and employees by reason of having made a report in the preceding item through the internal reporting system or through another procedure.

9) Matters concerning policies on processing expenses or obligations arising from the execution of the duties of the Audit & Supervisory Board Members

When the Audit & Supervisory Board Members claim prepayment, etc. of expenses to arise in the execution of their duties, the Company shall process the claim promptly, except in cases where the expense is deemed to be not required for the execution of the duties of the Audit & Supervisory Board Members.

10) Other systems to ensure that audits by Audit & Supervisory Board Members are carried out effectively

The Audit & Supervisory Board Members shall receive internal audit reports as necessary from the Internal Audit Department as well as consulting with the Financial Auditor as appropriate and exchanging opinions with the Directors whenever it is needed.

(2) Overview of Operational Status of System for Ensuring Properness of Operations

An overview of the operational status of the system for ensuring the properness of operations in the fiscal year under review is as follows.

1) Overall Internal Control System

The Board of Directors met 17 times and conducted lively discussions including the external Directors and external Audit & Supervisory Board Members in checking the progress of the business plan and important decision-making. Moreover, in order to achieve effective execution of duties based on the policies determined by the Board of Directors, the Management Meeting was held weekly and held full discussions on business execution after promptly gathering accurate important management information from each business department.

The Internal Audit Department monitored the institutional and operational status of the internal control system overall through internal audits of the Company and Group companies in addition to working for appropriate improvements as necessary, and reported on the results to the Board of Directors and each of the Audit & Supervisory Board Members.

2) Compliance and Risk Management System

The Company provided training for all Group officers and employees on information security, privacy protection, and insider trading regulations.

The Information Security Committee, which includes outside experts, met twice to evaluate and make proposals on information security measures at the Company and Group companies.

The Risk Management Meeting was held biweekly. Directors in charge of risk management received reports from the related departments at the meeting, and shared its contents with the Board of Directors.

3) Business management system of Group companies

The management status of Group companies was reported each month at the Board of the Directors and the Management Meeting to check on and discuss the progress of business plans and management issues, etc.

4) System of audits by the Audit & Supervisory Board Members

The Audit & Supervisory Board met seven times and received regular reports from and collaborated with the Internal Audit Department, the Legal Department, the Information Security Department, the Personal Data Management Department, and the Financial Auditor. In addition, the Audit & Supervisory Board Members requested explanations from the officers and employees of the Company and Group companies as necessary and worked to enhance the effectiveness of auditing.

Consolidated balance sheet

(As of March 31, 2017)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**37,041,720**	**Current liabilities**	**6,494,697**
Cash and time deposits	30,890,051	Accounts payable - trade	296,180
Notes and accounts receivables	5,430,780	Accounts payable - other	1,031,779
Deferred tax assets	277,679	Income taxes payable	3,488,384
Other current assets	445,728	Accrued consumption taxes	547,605
Allowance for doubtful accounts	(2,519)	Provision for bonuses	386,531
Fixed assets	**5,087,406**	Provision for directors' bonuses	34,500
Tangible fixed assets	**913,864**	Others	709,716
Buildings	258,923	**Non-current liabilities**	**236,050**
Furniture and fixtures	568,222	Asset retirement obligations	140,998
Others	86,718	Others	95,052
Intangible fixed assets	**2,151,637**	**Total liabilities**	**6,730,748**
Goodwill	190,650	**Net assets**	
Software	1,896,095	**Shareholders' equity**	**34,890,528**
Others	64,891	Common stock	915,984
Investments and other assets	**2,021,904**	Capital surplus	819,037
Investments in securities	1,202,411	Retained earnings	36,174,556
Guarantee deposits	612,160	Treasury stock	(3,019,049)
Deferred tax assets	141,880	**Accumulated other comprehensive income**	**101,409**
Others	67,722	Valuation difference on available-for-sale securities	90,730
Allowance for doubtful accounts	(2,270)	Foreign currency translation adjustment	10,678
		Subscription rights to shares	**184,136**
		Non-controlling interests	**222,302**
		Total net assets	**35,398,378**
Total assets	**42,129,126**	**Total liabilities and net assets**	**42,129,126**

Note: Amounts less than 1 thousand yen are rounded down.

Consolidated statement of income

(From April 1, 2016 to March 31, 2017)

(Thousands of yen)

Item	Amount	
Net sales		**45,089,432**
Cost of sales		**4,493,429**
Gross profit		**40,596,003**
Selling, general and administrative expenses		**19,434,752**
Operating income		**21,161,251**
Non-operating income		**20,906**
Interest income	1,959	
Dividend earned	6,507	
Subsidy income	4,482	
Others	7,957	
Non-operating expense		**18,144**
Commission for purchase of treasury stock	12,651	
Loss on investments in partnership	4,899	
Others	593	
Recurring profit		**21,164,013**
Extraordinary profit		**36,982**
Gain on sales of investment securities	34,000	
Gain on reversal of subscription rights to shares	2,982	
Profit before income taxes		**21,200,995**
Corporate tax, local tax and business tax	6,317,668	
Income taxes deferred	5,936	6,323,604
Profit		**14,877,390**
Profit attributable to non-controlling interests		38,860
Profit attributable to shareholders of parent		**14,838,530**

Note: Amounts less than 1 thousand yen are rounded down.

Consolidated statement of changes in equity

(From April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2016	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 shareholders of parent			14,838,530		14,838,530
Purchase of treasury stock				(4,220,107)	(4,220,107)
Retirement of treasury stock			(2,776,200)	2,776,200	–
Disposal of treasury stock		(160,305)		408,968	248,662
Transfer of loss on disposal of treasury stock		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 as of March 31, 2017	915,984	819,037	36,174,556	(3,019,049)	34,890,528

Note: Amounts less than 1 thousand yen are rounded down.

(Thousands of yen)

	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 as of April 1, 2016	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 shareholders of parent						14,838,530
Purchase of treasury stock						(4,220,107)
Retirement of treasury stock						–
Disposal of treasury stock				(50,233)		198,429
Transfer of loss on disposal of treasury stock						–
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 as of March 31, 2017	90,730	10,678	101,409	184,136	222,302	35,398,378

Note: Amounts less than 1 thousand yen are rounded down.

Notes to Consolidated Financial Statements

Important Matters Forming the Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 6

Names of consolidated subsidiaries:
forTravel, Inc.
Kakaku.com Insurance, Inc.
eiga.com, Inc.
Time Design Co., Ltd.
Tabelog, Inc.
webCG, Inc.

Change in scope of consolidation

Kakaku.com Financial, Inc. has been excluded from the scope of the consolidation since the fiscal year under review, due to its decreased materiality.

(2) Names, etc. of major non-consolidated subsidiaries
Kakaku.com Logistics, Inc.
Kakaku.com Financial, Inc.

Reason for exclusion from scope of consolidation

The non-consolidated subsidiaries are small in scale and their aggregate amount of total assets, net sales, profit or loss (for the Company's equity interest), retained earnings (for the Company's equity interest) and others do not have a material effect on the Company's consolidated financial statements.

2. Application of the equity method

(1) Status of major non-consolidated subsidiaries and affiliates accounted for by equity method

No items to report.

(2) Status of non-consolidated subsidiaries and affiliates not accounted for by equity method

Names of major non-consolidated subsidiaries not accounted for by equity method
Kakaku.com Logistics, Inc.
Kakaku.com Financial, Inc.

Reason for excluding from scope of equity method

The non-consolidated subsidiaries that are not accounted for by the equity method are excluded from the scope of the equity method since such exclusion has immaterial effect on the Company's consolidated financial statements in terms of profit or loss (for the Company's equity interest), retained earnings (for the Company's equity interest) and others, and they are not material as a whole.

3. Fiscal year-end of consolidated subsidiaries

The fiscal year-end of consolidated subsidiaries coincides with the consolidated closing date.

4. Accounting policies

(1) Valuation bases and methods of significant assets

Securities

Other securities

Securities with determinable market value .....Stated at fair value based on the market prices at the end of the fiscal year (Valuation differences are included in net assets; cost of securities sold is determined by the moving-average method)

Securities without determinable market value .....Stated at cost determined by the moving-average method

Investments in an investment limited partnership and other similar partnerships (deemed as securities according to Article 2, paragraph 2 of the Financial Instruments and Exchange Act) are stated at their net equity value, based on the latest financial statements available prepared on the financial reporting dates as specified in the respective partnership agreements.

(2) Depreciation method of significant depreciable assets

Tangible fixed assets .....Depreciated by the declining balance method.

However, buildings (excluding accompanying facilities) acquired on or after April 1, 1998 and accompanying facilities acquired on or after April 1, 2016 are depreciated by the straight-line method.

The estimated useful lives of major items are as follows.

Buildings..... 8 to 15 years

Furniture and fixtures..... 4 to 5 years

Intangible fixed assets .....Software for internal use is amortized by the straight-line method over internally expected useful life (3 to 5 years).

(3) Accounting policy for significant provisions

Allowance for doubtful accounts.....To prepare for losses from bad debt, an estimated uncollectible amount is provided at the amount estimated by using the historical rate of credit loss for general receivables, and based on individual consideration of collectability in the case of specific receivables such as highly doubtful receivables.

Provision for bonuses .....To prepare for payment of bonuses to employees, of the estimated future bonus payment, an amount to be borne during the fiscal year under review is provided.

Provision for directors' bonuses .....To prepare for payment of bonuses to directors, of the estimated future bonus payment, an amount to be borne during the fiscal year under review is provided.

(4) Recognition of income and expenses

Recognition of recording advertising sales

The amount of orders from advertisers is recorded as net sales, and sales commissions paid to advertising agencies are recorded as advertising agency commissions.

(5) Method and period of amortization of goodwill

Goodwill is equally amortized over estimated effective period of the investment (10 years).

(6) Accounting policy for consumption taxes

Consumption taxes are accounted for by the tax-exclusion method.

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 accompanying facilities 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 to Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets ¥1,667,191 thousand
2. The Group obtains overdraft facilities from two banks in order to efficiently manage operating fund. As of the end of the fiscal year under review, total unused facilities are as follows.

Total overdraft facility limit	¥3,450,000 thousand
Balance of overdraft commitments used	¥– thousand
Unused balance	¥3,450,000 thousand

Notes to Consolidated Statement of Changes in Equity

1. Number of shares issued as of the end of the fiscal year under review

(Shares)

Class	As of April 1, 2016	Increase	Decrease	As of March 31, 2017
Shares issued				
Common stock (Note 1)	219,560,100	–	1,400,000	218,160,100
Total	219,560,100	–	1,400,000	218,160,100
Treasury stock				
Common stock (Notes 2, 3)	1,019,125	2,256,800	1,607,600	1,668,325
Total	1,019,125	2,256,800	1,607,600	1,668,325

Notes: 1. The decreases of common stock in shares issued are due to the retirement of treasury stock.

2. The increase of common stock in treasury stock is due to the purchase of treasury stock.

3. The decrease of common stock in treasury stock resulted from a decrease of 1,400,000 shares through retirement of treasury stock and a decrease of 207,600 shares due to exercise of stock options.

2. Dividends of surplus

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 23, 2016	Common stock	4,589,360	21	March 31, 2016	June 24, 2016
the meeting of the Board of Directors held on September 15, 2016	Common stock	3,039,265	14	September 30, 2016	December 1, 2016

(2) Dividends whose record date falls in the fiscal year under review and have an effective date in the next fiscal year

Resolution	Class of shares	Source of dividend	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 21, 2017 (scheduled to be resolved)	Common stock	Retained earnings	3,030,884	14	March 31, 2017	June 22, 2017

3. Class and number of shares to be delivered upon exercise of subscription rights to shares outstanding at the end of the fiscal year under review (excluding those for which the exercise period has not started)

Common stock 450,800 shares

Notes to Financial Instruments

1. Status of financial instruments

(1) Policy on financial instruments

The Group restricts fund management to short-term deposits etc. and uses borrowings from financial institutions, mainly banks, for its financing needs.

(2) Details of financial instruments and associated risks

Notes and accounts receivables, which are operating receivables, are exposed to credit risks of customers. The majority of accounts payable - trade, which are operating payables, are due within one year.

(3) Management system for risks associated with financial instruments

1) Management of credit risk (such as risk associated with nonfulfillment of contracts by business partners)

For operating receivables, the Company has administration division to periodically monitor the status of major business partners and manage due dates and balances for each business partner in accordance with Claim Management Guidelines, while striving to quickly notice and mitigate any concerns on the collection of claims that might be caused by a business partner’s deteriorated

financial conditions, etc. The Company also carries out similar credit management for consolidated subsidiaries in accordance with the Claim Management Guidelines of the Company.

2) Management of liquidity risk associated with procurement of funds (risk of becoming unable to repay funds on payment date)

The Company manages liquidity risk by having the finance division prepare and renew cash management plans in a timely manner based on reports from each department, while maintaining liquidity in hand. The Company also carries out similar management for consolidated subsidiaries.

2. Fair values of financial instruments

Carrying amounts, fair values and the differences between carrying amounts and fair values as of March 31, 2017 were as follows.

	Carrying amount (Thousands of yen)	Fair value (Thousands of yen)	Difference (Thousands of yen)
(1) Cash and time deposits	30,890,051	30,890,051	–
(2) Notes and accounts receivables	5,430,780	5,430,780	–
Total assets	36,320,831	36,320,831	–
(1) Income taxes payable	3,488,384	3,488,384	–
Total liabilities	3,488,384	3,488,384	–

Notes: 1. Methods of calculating fair values of financial instruments and matters concerning securities

Assets

(1) Cash and time deposits and (2) notes and accounts receivables

Because these are settled in a short period of time and their fair values approximate book values, the Company deems their book values to be the fair values.

Liabilities

(1) Income taxes payable

Because this is settled in a short period of time and its fair value approximates book value, the Company deems its book value to be the fair value.

2. Redemption schedule for monetary claims after balance sheet date

	Within one year (Thousands of yen)	Over one year up to five years (Thousands of yen)	Over five years up to ten years (Thousands of yen)	Over ten years (Thousands of yen)
Cash and time deposits	30,890,051	–	–	–
Notes and accounts receivables	5,430,780	–	–	–
Total	36,320,831	–	–	–

Per Share Information

1. Net assets per share ¥161.63
2. Earnings per share ¥68.23

Significant Subsequent Events

No items to report.

Non-consolidated balance sheet

(As of March 31, 2017)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**35,563,547**	**Current liabilities**	**5,978,584**
Cash and time deposits	29,593,914	Accounts payable - trade	214,716
Accounts receivable - trade	5,165,923	Accounts payable - other	967,700
Accounts receivable - other	1,374	Accrued expenses	53,694
Prepaid expenses	292,064	Income taxes payable	3,464,774
Deferred tax assets	419,443	Accrued consumption taxes	527,678
Other current assets	93,345	Advances received	228,034
Allowance for doubtful accounts	(2,519)	Deposits received	89,520
Fixed assets	**5,739,226**	Provision for bonuses	367,541
Tangible fixed assets	**876,465**	Provision for directors' bonuses	34,500
Buildings	242,637	Others	30,423
Furniture and fixtures	547,922	**Non-current liabilities**	**282,473**
Construction in progress	80,152	Long-term guarantee deposited	147,727
Others	5,752	Asset retirement obligations	134,746
Intangible fixed assets	**1,574,731**	**Total liabilities**	**6,261,057**
Software	1,534,211	**Net assets**	
Software in progress	40,520	**Shareholders' equity**	**34,766,848**
Investments and other assets	**3,288,029**	Common stock	915,984
Investments in securities	1,188,661	Capital surplus	1,087,703
Shares of subsidiaries and associates	907,794	Legal capital surplus	1,087,703
Long-term prepaid expenses	65,310	Retained earnings	35,782,209
Deferred tax assets	540,844	Other retained earnings	35,782,209
Guarantee deposits	585,418	Retained earnings brought forward	35,782,209
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,271	Treasury stock	(3,019,049)
		Valuation and translation adjustments	**90,730**
Allowance for doubtful accounts	(2,270)	Valuation difference on available-for-sale securities	90,730
		Subscription rights to shares	**184,136**
		Total net assets	**35,041,716**
Total assets	**41,302,773**	**Total liabilities and net assets**	**41,302,773**

Note: Amounts less than 1 thousand yen are rounded down.

Non-consolidated statement of income

(From April 1, 2016 to March 31, 2017)

(Thousands of yen)

Item	Amount	
Net sales		**41,422,049**
Cost of sales		**2,782,623**
Gross profit		**38,639,425**
Selling, general and administrative expenses		**17,723,533**
Operating income		**20,915,892**
Non-operating income		**36,311**
Interest and dividend income	8,460	
Fiduciary obligation fee	17,760	
Subsidy income	4,482	
Others	5,609	
Non-operating expense		**18,014**
Commission for purchase of treasury stock	12,651	
Loss on investments in partnership	4,899	
Others	464	
Recurring profit		**20,934,188**
Extraordinary profit		**36,982**
Gain on sales of investment securities	34,000	
Gain on reversal of subscription rights to shares	2,982	
Extraordinary loss		**1,366,557**
Loss on valuation of shares of subsidiaries	1,366,557	
Profit before income taxes		**19,604,612**
Corporate tax, local tax and business tax	6,270,914	
Income taxes deferred	(442,002)	5,828,912
Profit		**13,775,700**

Note: Amounts less than 1 thousand yen are rounded down.

Non-consolidated statement of changes in equity

(From April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2016	915,984	1,087,703	1,087,703	32,571,640	32,571,640
Changes of items during period					
Dividends of surplus				(7,628,625)	(7,628,625)
Profit				13,775,700	13,775,700
Purchase of treasury stock					
Retirement of treasury stock				(2,776,200)	(2,776,200)
Disposal of treasury stock		(160,305)	(160,305)		
Transfer of loss on disposal of treasury stock		160,305	160,305	(160,305)	(160,305)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	–	3,210,569	3,210,569
Balance as of March 31, 2017	915,984	1,087,703	1,087,703	35,782,209	35,782,209

Note: Amounts less than 1 thousand yen are rounded down.

(Thousands of yen)

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2016	(1,984,111)	32,591,218	78,810	78,810	188,426	32,858,455
Changes of items during period						
Dividends of surplus		(7,628,625)				(7,628,625)
Profit		13,775,700				13,775,700
Purchase of treasury stock	(4,220,107)	(4,220,107)				(4,220,107)
Retirement of treasury stock	2,776,200	–				–
Disposal of treasury stock	408,968	248,662			(50,233)	198,429
Transfer of loss on disposal of treasury stock		–				–
Net changes of items other than shareholders' equity			11,920	11,920	45,943	57,863
Total changes of items during period	(1,034,938)	2,175,630	11,920	11,920	(4,289)	2,183,260
Balance as of March 31, 2017	(3,019,049)	34,766,848	90,730	90,730	184,136	35,041,716

Note: Amounts less than 1 thousand yen are rounded down.

Notes to Non-consolidated Financial Statements

Notes on Important Accounting Policies

1. Valuation bases and methods of assets

Securities

Shares of subsidiaries .....Stated at cost determined by the moving-average method

Other securities

Securities with determinable market value .....Stated at fair value based on the market prices at the end of the fiscal year (Valuation differences are included in net assets; cost of securities sold is determined by the moving-average method)

Securities without determinable market value .....Stated at cost determined by the moving-average method

Investments in an investment limited partnership and other similar partnerships (deemed as securities according to Article 2, paragraph 2 of the Financial Instruments and Exchange Act) are stated at their net equity value, based on the latest financial statements available prepared on the financial reporting dates as specified in the respective partnership agreements.

2. Depreciation method of fixed assets

Tangible fixed assets.....Depreciated by the declining balance method.

However, buildings (excluding accompanying facilities) acquired on or after April 1, 1998 and accompanying facilities acquired on or after April 1, 2016 are depreciated by the straight-line method.

The estimated useful lives of major items are as follows.

Buildings..... 8 to 15 years

Furniture and fixtures..... 4 to 5 years

Intangible fixed assets.....Software for internal use is amortized by the straight-line method internally expected useful life (3 to 5 years).

3. Accounting policy for provisions

Allowance for doubtful accounts.....To prepare for losses from bad debt, an estimated uncollectible amount is provided at the amount estimated by using the historical rate of credit loss for general receivables, and based on individual consideration of collectability in the case of specific receivables such as highly doubtful receivables.

Provision for bonuses .....To prepare for payment of bonuses to employees, of the estimated future bonus payment, an amount to be borne during the fiscal year under review is provided.

Provision for directors' bonuses .....To prepare for payment of bonuses to directors, of the estimated future bonus payment, an amount to be borne during the fiscal year under review is provided.

4. Recognition of income and expenses

Recognition of recording advertising sales

The amount of orders from advertisers is recorded as net sales, and sales commissions paid to advertising agencies are recorded as advertising agency commissions.

5. Accounting policy for consumption taxes

Consumption taxes are accounted for by the tax-exclusion method.

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 accompanying facilities 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 to Non-consolidated Balance Sheet

1. Monetary receivables from and payables to subsidiaries and associates

Short-term monetary receivables	¥142,472 thousand
Short-term monetary payables	¥230,380 thousand
Long-term monetary payables	¥52,675 thousand

2. Accumulated depreciation of tangible fixed assets ¥1,563,431 thousand

3. The Company obtains overdraft facilities from two banks in order to efficiently manage operating fund. As of the end of the fiscal year under review, total unused facilities are as follows.

Total overdraft facility limit	¥3,300,000 thousand
Balance of overdraft commitments used	¥– thousand
Unused balance	¥3,300,000 thousand

Notes to Non-consolidated Statement of Income

Transactions with subsidiaries and associates

Operational transactions	¥3,201,241 thousand
Other transactions	¥17,760 thousand

Notes to Non-consolidated Statement of Changes in Equity

Class and number of treasury stocks as of the end of the fiscal year under review

Common stock	1,668,325 shares

Tax Effect Accounting

1. Breakdown of deferred tax assets and deferred tax liabilities by major causes

Deferred tax assets (current)	
Enterprise tax payable	¥130,468 thousand
Provision for bonuses	¥113,423 thousand
Loss on valuation of shares of subsidiaries	¥128,534 thousand
Others	¥47,978 thousand
Subtotal	¥420,405 thousand
Deferred tax liabilities (current)	
Accrued dividend receivable	¥961 thousand
Subtotal	¥961 thousand
Net deferred tax assets (current)	¥419,443 thousand

Deferred tax assets (fixed)	
Lump-sum depreciable assets	¥4,220 thousand
Software	¥188,281 thousand
Asset retirement obligations	¥41,259 thousand
Loss on valuation of shares of subsidiaries	¥290,904 thousand
Others	¥79,293 thousand
Subtotal	¥603,959 thousand
Deferred tax liabilities (fixed)	
Retirement costs corresponding to asset retirement obligations	¥22,380 thousand
Valuation difference on investment securities	¥40,734 thousand
Subtotal	¥63,115 thousand
Net deferred tax assets (fixed)	¥540,844 thousand

Transactions with Related Parties

1. Parent company and major corporate shareholders

   There was no significant item.

2. Officers and major individual shareholders

(Thousands of yen)

Attribute	Name of Corporation, etc.	Percentage of Voting Rights	Relations	Content of Transaction	Transaction Amount	Account Item	Balance at Term End
Officer	Kaoru Hayashi	Direct Ownership 0.06%	Chairman of the Board	Exercise of stock options	11,812	–	–
Officer	Minoru Tanaka	Direct Ownership 0.53%	Vice-Chairman and Director	Exercise of stock options	11,812	–	–
Officer	Shonosuke Hata	Direct Ownership 0.01%	President and Representative Director	Exercise of stock options	23,625	–	–
Officer	Hajime Uemura	Direct Ownership 0.02%	Director	Exercise of stock options	11,812	–	–
Officer	Shingo Yuki	Direct Ownership 0.01%	Director	Exercise of stock options	11,812	–	–
Officer	Atsuhiro Murakami	Direct Ownership 0.00%	Director	Exercise of stock options	23,625	–	–

(Note) Terms of transactions and method for determining terms of transactions

Exercise of rights of the stock options granted under the provisions of Article 236, 238 and 240 of the Companies Act and the resolution of the meeting of the Board of Directors held on April 17, 2013 based on the Annual General Meeting of Shareholders held on June 26, 2012 during the fiscal year under review are reported. Transaction amount reports the amount obtained by multiplying shares granted through the exercise of rights to stock options during the fiscal year under review by the paid-in amount.

3. Subsidiaries, etc.

   There was no significant item.

4. Sister companies, etc.

   There was no significant item.

Per Share Information

1. Net assets per share ¥161.01
2. Earnings per share ¥63.35

Significant Subsequent Events

No items to report.

Financial Audit Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 15, 2017

To the Board of Directors of
Kakaku.com, Inc.

Deloitte Touche Tohmatsu LLC

Tatsuaki Kitachi
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

Kunikazu Awashima
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet, the consolidated statement of income, consolidated statement of changes in equity and Notes to Consolidated Financial Statements of Kakaku.com, Inc. (the "Company") for the fiscal year from April 1, 2016 to March 31, 2017.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and this includes the establishment and operation of such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2017, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

Financial Audit Report on Non-consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 15, 2017

To the Board of Directors of
Kakaku.com, Inc.

Deloitte Touche Tohmatsu LLC

Tatsuaki Kitachi
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

Kunikazu Awashima
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

Pursuant to the item 1, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, Notes to Non-consolidated Financial Statements and supplementary schedules of Kakaku.com, Inc. (the "Company") for the 20th fiscal year from April 1, 2016 to March 31, 2017.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan, and this includes the establishment and operation of such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2017, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

Audit Report

With respect to the Directors' performance of their duties during the 20th fiscal year (from April 1, 2016 to March 31, 2017), the Audit & Supervisory Board has prepared this audit report, as a unanimous opinion of all members of the Audit & Supervisory Board, based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows:

1. Method and contents of audit by Audit & Supervisory Board Members and Audit & Supervisory Board

   (1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc., and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the financial auditor regarding the status of performance of their duties, and requested explanations as necessary.

   (2) In conformity with the Audit & Supervisory Board Member auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate mutual understanding with the Directors, the Internal Audit Department and other employees, etc., and endeavored to collect information and maintain and improve the audit environment. Each Audit & Supervisory Board Member executed their audits using the methods described below:

      I. Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and employees, etc. and requested explanations as necessary, inspected important approval/decision documents, and investigated the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate mutual understanding and information exchange with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective businesses as necessary.

      II. Each Audit & Supervisory Board Member received reports on a regular basis from the Directors and employees, etc., requested explanations as necessary, and provided opinions with respect to matters mentioned in the business report. Such matters consist of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties complied with applicable laws and regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a stock company and the corporate group consisting of its subsidiaries, and the systems developed and maintained based on such resolutions (internal control systems).

      III. Each Audit & Supervisory Board Member monitored and verified whether the financial auditor maintained its independence and properly conducted its audit, received a report from the financial auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the financial auditor that it had established a "system to ensure that the performance of the duties of the financial auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and the supplementary schedules thereto, and the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements), for the fiscal year under consideration.

2. Results of audit

(1) Results of Audit of Business Report, etc.

I. We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

II. We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.

III. We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and Directors' performance of their duties concerning the internal control systems.

(2) Results of audit of non-consolidated financial statements and supplementary schedules

We acknowledge that the methods and results of audit performed by the financial auditor Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of audit of consolidated financial statements

We acknowledge that the methods and results of audit performed by the financial auditor Deloitte Touche Tohmatsu LLC, are appropriate.

May 18, 2017

Audit & Supervisory Board, Kakaku.com, Inc.

Full-time Audit & Supervisory Board Member	Hiroshi Maeno	(seal)
External Audit & Supervisory Board Member	Toshio Takano	(seal)
External Audit & Supervisory Board Member	Erica Okada	(seal)

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company has given consideration to the business performance of the current fiscal year and future business development, and it proposes to pay year-end dividends for the 20th fiscal year as follows:

1. Type of dividend property

   To be paid in cash.

2. Allotment of dividend property and their aggregate amount

   The Company proposes to pay a dividend of ¥14 per common share of the Company.

   In this event, the total dividends will be ¥3,030,884,850.

   As the Company paid an interim dividend of ¥14 per share, the annual dividend for the fiscal year under review will be ¥28 per share.

3. Effective date of dividends of surplus

   Thursday, June 22, 2017

Proposal No. 2: Election of Eleven (11) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this meeting. Accordingly, the Company proposes the election of eleven (11) Directors.

The candidates for Director are as follows:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility at the Company
(Significant concurrent positions outside the Company)</th><th>Number of shares held in the Company</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Kaoru Hayashi
(December 26, 1959)

[Reelection]

Attendance at the meetings of the Board of Directors:
15/17</td><td>Aug. 1995</td><td>Founder and Representative Director, Digital Garage, Inc.</td><td rowspan="2">138,400 shares</td></tr>
<tr><td>Jul. 2002
Jun. 2003
Jun. 2012
Oct. 2015
Jun. 2016
Sep. 2016
Sep. 2016
May. 2017</td><td>Representative Chairman, the Company
Chairman of the Board, the Company (present post)
External Director, Monex Group, Inc. (present post)
Director President and Chairman, econtext ASIA Limited (present post)
Outside Director, Credit Saison Co., Ltd. (present post)
Representative Director, Chairman and CEO, BI.Garage, Inc. (present post)
Representative Director, President Executive Officer and Group CEO, Digital Garage, Inc. (present post)
Representative Director, Chairman and President, DG Incubation, Inc. (present post)</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for Director]
Mr. Kaoru Hayashi has been focused on future potential since the early days of personal internet services in Japan and has been involved in the internet business as an entrepreneur since founding Digital Garage, Inc. He has a high level of knowledge about the internet business, including global IT technology trends. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company’s business and its overall management in the future.</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Minoru Tanaka
(May 6, 1962)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Apr. 1986
Sep. 2001
Jul. 2002
Apr. 2003
Jul. 2005
Jun. 2006
Apr. 2007
Feb. 2015
Jun. 2016
May 2017</td><td>Joined The Mitsubishi Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
Joined Digital Garage, Inc.
Director, the Company
Director and CFO, the Company
Director, Vice President, the Company
President and Representative Director, the Company
Director, eiga.com, Inc. (present post)
Director, webCG, Inc. (present post)
Vice-Chairman and Director, the Company (present post)
Outside Director, LOCONDO, Inc. (present post)</td><td>1,147,400 shares</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for Director]
Mr. Minoru Tanaka led the advancement of the Company’s business as President and Representative Director for a decade since 2006. After assuming office as Vice-Chairman and Director of the Company in 2016, he has made great efforts in monitoring the Company’s business management and execution. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company’s business and its overall management in the future.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility at the Company
(Significant concurrent positions outside the Company)</th><th>Number of shares held in the Company</th></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Shonosuke Hata
(January 10, 1974)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Apr. 1999
Dec. 2001
Apr. 2003
Jul. 2005
Jun. 2006
Apr. 2007
Apr. 2009
Apr. 2010
Apr. 2014
Apr. 2015
Jun. 2016
Jun. 2017</td><td>Joined Japan Tobacco Inc.
Joined the Company
General Manager of Sales Division, the Company
Operating Officer, General Manager of Third Business Division, the Company
Director, Chief Director of Products Division, the Company
Director, eiga.com, Inc. (present post)
Director, Chief Director of Sales Division, the Company
Director, Chief Director of Business Promotion Division, the Company
Director, General Manager of Business Development, the Company
Director, the Company
President and Representative Director, the Company (present post)
Director, Time Design Co., Ltd. (present post)</td><td>14,600 shares</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for Director]
Since joining the Company, Mr. Shonosuke Hata has planned and developed a variety of businesses, including internet advertising, and has served as President and Representative Director of the Company since 2016. He has exerted great efforts in the advancement of the Group and appropriate decision-making. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company’s business and its overall management in the future.</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Kenji Fujiwara
(September 25, 1946)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Apr. 1969
May 1993
Jun. 1994
May 2002
Jun. 2003
Mar. 2007
Jul. 2008
Sep. 2008
Jun. 2009
Jun. 2015</td><td>Joined Shufu-no-mise Daiei, Inc. (currently The Daiei, Inc.)
Director, The Daiei, Inc.
President and Representative Director, Daiei Convenience Systems Co., Ltd. (currently Lawson, Inc.)
Chairman and Representative Director, Lawson, Inc.
President and Representative Director, FANCL CORPORATION
Chairman and Representative Director, FANCL CORPORATION
Director, SBS Corporation (present post)
External Board Director, Digital Garage, Inc. (present post)
Director, the Company (present post)
External Director, Sundrug Co., Ltd. (present post)</td><td>44,500 shares</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for Director]
Mr. Kenji Fujiwara has served as President and Chairman of Daiei Convenience Systems Co., Ltd. (currently Lawson, Inc.) and FANCL CORPORATION. Based on his extensive experience and high level of discernment as a manager cultivated at a number of companies, he has exerted great efforts to strengthen the Company’s governance system. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company’s business and its overall management in the future.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility at the Company
(Significant concurrent positions outside the Company)</th><th>Number of shares held in the Company</th></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Hajime Uemura
(February 19, 1973)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Oct. 1999</td><td>Joined KPMG Century Audit (currently KPMG AZSA LLC)</td><td rowspan="2">36,700 shares</td></tr>
<tr><td>Apr. 2003
Oct. 2004
Jul. 2005
May 2006
Jun. 2008
Jun. 2009
Apr. 2014
Jun. 2017
Responsible for Administration, Human Resources and Legal Affairs</td><td>Registered as Certified Public Accountant
Joined the Company
Manager of Planning Office, the Company
Operating Officer, Manager of Planning Office, the Company
Senior Executive Officer, General Manager of Business Planning, the Company
Director, General Manager of Business Planning, the Company
Director, the Company (present post)
Director, eiga.com, Inc. (present post)</td></tr>
<tr><td colspan="5">[Reason for the nomination of the candidate for Director]
Mr. Hajime Uemura is qualified as a Certified Public Accountant and has supported the advancement of the Group in Planning Office and other indirect departments. He has exerted great efforts to strengthen the financial structure and in IR and M&As, etc. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.</td></tr>
<tr><td rowspan="2">6</td><td rowspan="2">Shingo Yuki
(May 13, 1975)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Apr. 1999</td><td>Joined ITOCHU TECHNO-SCIENCE Corporation (currently ITOCHU Techno-Solutions Corporation)</td><td rowspan="2">29,500 shares</td></tr>
<tr><td>Mar. 2004
Jul. 2005
May 2006
Jun. 2008
Jun. 2010
Apr. 2013
Nov. 2015
Jun. 2017
Responsible for Kakaku.com, Marketing and Business Development</td><td>Joined the Company
General Manager of First Business Division, the Company
Operating Officer, General Manager of Brand Marketing Division, the Company
Senior Executive Officer, General Manager of Shopping Media Department, Products Division, the Company
Director, General Manager of Shopping Media Department, Kakaku.com Division, the Company
Director, the Company (present post)
President and Representative Director, Kakaku.com Logistics, Inc. (present post)
President and Representative Director, Kakaku.com Insurance, Inc. (present post)</td></tr>
<tr><td colspan="5">[Reason for the nomination of the candidate for Director]
Mr. Shingo Yuki has been involved in the Kakaku.com business since joining the Company and has promoted the business as a manager responsible for shopping content, including the development of services using internet marketing. He has exerted great efforts to increase the number of users of the Group's services overall. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility at the Company
(Significant concurrent positions outside the Company)</th><th>Number of shares held in the Company</th></tr>
<tr><td rowspan="2">7</td><td>Atsuhiro Murakami
(January 9, 1975)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>May 1998
Oct. 2002
Oct. 2004
May 2006
May 2008
Apr. 2009
Jun. 2011
Jun. 2012
Apr. 2013
Aug. 2014
Apr. 2015
Jun. 2016
Responsible for Tabelog</td><td>Joined Andersen Consulting (currently Accenture Japan Ltd)
Joined Arrows Consulting Inc. (currently EY Advisory & Consulting Co., Ltd.)
Joined the Company
Manager of CGM Promotion Office, Business Development Division, the Company
Deputy Chief Director of Business Development Division, the Company
Operating Officer, Chief Director of Tabelog Division, the Company
Senior Executive Officer, Chief Director of Tabelog Division, the Company
Director, Chief Director of Tabelog Division, General Manager of New Business Division, the Company
Director, Manager of New Business Preparation Office, the Company
External Director, Bengo4.com, Inc. (present post)
Director, the Company (present post)
Director, forTravel, Inc. (present post)</td><td>5,300 shares</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for Director]
Since the establishment of the Tabelog business, Mr. Atsuhiro Murakami has been responsible for expanding and monetizing the business, growing it into a leading business for the Group. He has also exerted great efforts on creating and nurturing new businesses. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company’s business and its overall management in the future.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility at the Company
(Significant concurrent positions outside the Company)</th><th>Number of shares held in the Company</th></tr>
<tr><td rowspan="2">8</td><td>Yoshiharu Hayakawa
(February 23, 1948)

[Reelection]
[External Director]
[Independent Officer]

Attendance at the meetings of the Board of Directors:
15/17</td><td>Aug. 1973
Apr. 1985
Jan. 1992
Nov. 1997
Jun. 2002
Jan. 2004
Jan. 2006
Jun. 2007
Jun. 2009
Jun. 2012
Apr. 2013
Jun. 2014</td><td>Registered as Certified Public Accountant
Representative Director, Chuo Coopers & Lybrand Consulting Co., Ltd.
Senior Partner, Chuo Audit Corporation
Representative, Kasumi Research Empowerment Institute (present post)
Outside Corporate Auditor, UFJ Holdings, Inc. (currently Mitsubishi UFJ Financial Group, Inc.)
External Director, DAI-ICHI HOKI CO., LTD. (present post)
Outside Corporate Auditor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Outside Director, Mitsui Fudosan Co., Ltd.
External Audit & Supervisory Board Member, the Company
External Director, the Company (present post)
Outside Director, Ryoyo Electro Corporation (present post)
Jun. 2014 Outside Director, Sanrio Company, Ltd. (present post)</td><td>–</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for External Director]
Mr. Yoshiharu Hayakawa has actively provided suggestions, particularly on governance, based on his expert knowledge as a Certified Public Accountant and extensive experience and broad discernment as a management consultant. Therefore, the Company has nominated him as a candidate for reelection as External Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and the further strengthening of the corporate governance system in the future.
It should be noted that Mr. Yoshiharu Hayakawa has served as an External Audit & Supervisory Board Member of the Company since June 2009 and as an External Director since June 2012.</td></tr>
<tr><td rowspan="2">9</td><td>Shiho Konno
(June 28, 1963)

[Reelection]
[External Director]
[Independent Officer]

Attendance at the meetings of the Board of Directors:
13/13*</td><td>Apr. 1991
Jun. 2005
Mar. 2008
Apr. 2009
Apr. 2014
Aug. 2014
Jun. 2015
Jun. 2016</td><td>Registered as attorney at law
Outside Audit and Supervisory Board Member, Yahoo Japan Corporation
Outside Auditor, Advanced Softmaterials Inc.
Professor, Waseda Law School
Member, Committee for the Promotion of Gender Equality, Japan Federation of Bar Associations (present post)
Auditor, Japan Corporate Governance Network (present post)
External Director, Watami Co., Ltd. (present post)
External Director, the Company (present post)</td><td>–</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for External Director]
Ms. Shiho Konno has provided practical suggestions based on her expert knowledge as an attorney at law and her broad discernment cultivated in a number of important posts. Therefore, the Company has nominated her as a candidate for reelection as External Director because we have determined that she can be expected to play a suitable role in the expansion of the Company's business and the further strengthening of the corporate governance system in the future.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)		Number of shares held in the Company
10	Norihiro Kuretani (December 3, 1965) [New] [External Director]	Apr. 1988	Joined DENTSU INC.	–
		Jul. 2012	Deputy Director, MC Planning Division, DENTSU INC.	
		Jun. 2016	Director, cyber communications inc. (present post)	
		Jun. 2016	Director, D2C Inc. (present post)	
		Jul. 2016	Director, Dentsu Digital Inc.	
		Jul. 2016	Director, Digital Platform Center, DENTSU INC.	
		Jan. 2017	Executive Officer, DENTSU INC. (present post)	
		Jan. 2017	Representative Director and CEO, Dentsu Digital Inc. (present post)	
		Jan. 2017	Outside Director, Video Research Interactive Inc. (present post)	
		Mar. 2017	Director, Information Services International-Dentsu, Ltd. (present post)	
		Mar. 2017	Director, Dentsu Aegis Japan Inc. (present post)	
		Mar. 2017	Director, Dentsu Digital Holdings Inc. (present post)	
	[Reason for the nomination of the candidate for External Director] The Company has nominated Mr. Norihiro Kuretani as a candidate for External Director with the expectation that his extensive experience in the digital business and broad discernment, cultivated through his career as an Executive Officer of DENTSU INC., Japan's biggest advertising agency, can be utilized in the expansion of the Company's business and the further strengthening of the corporate governance system in the future.			
11	Tomoharu Kato (September 8, 1974) [New] [External Director] [Independent Officer]	Apr. 1999	Joined Deutsche Securities (currently Deutsche Bank)	–
		Apr. 2000	Joined McKinsey & Company	
		Apr. 2004	Joined FIELDS CORPORATION	
		Dec. 2007	Joined Unison Capital, Inc. On loan to AKINDO SUSHIRO CO., LTD., Manager of President's Office	
		Dec. 2008	Managing Director, AKINDO SUSHIRO CO., LTD.	
		Oct. 2012	Director and COO, AKINDO SUSHIRO CO., LTD.	
		Mar. 2014	Founder, President and Representative Director, Turnaround Management CO., LTD.	
		Jun. 2015	Joined XEBIO Co., Ltd.	
		Oct. 2015	President and Representative Director, XEBIO Co., Ltd. (present post)	
		Oct. 2015	Executive Vice President, XEBIO HOLDINGS CO., LTD. (present post)	
	[Reason for the nomination of the candidate for External Director] The Company has nominated Mr. Tomoharu Kato as a candidate for External Director with the expectation that his extensive experience in various sectors and broad discernment cultivated through his career as a management executive can be utilized in the expansion of the Company's business and the further strengthening of the corporate governance system in the future.			

Notes: 1. * indicates attendance at the meetings of the Board of Directors since assuming her post on June 23, 2016.

2. Candidate for Director Kaoru Hayashi is the Representative Director, President Executive Officer and Group CEO of Digital Garage, Inc. and candidate for Director Kenji Fujiwara is an External Board Director of the said company. The aforementioned company is a major shareholder of the Company and an "other affiliated company." The Company has a business relationship involving an advertising contract with the aforementioned company; however, this relationship was established after receiving approval from the Company's Board of Directors and conducting proper procedures.

3. Candidate for external Director Shiho Konno is an External Director of Watami Co., Ltd., which has a business relationship with the Company. However, the transaction amount between the two companies is less than 0.1% of consolidated net sales of the Company for the fiscal year under review.

4. Candidate for external Director Norihiro Kuretani is an Executive Officer of DENTSU INC. The aforementioned company is a major shareholder of the Company and an "other affiliated company." Furthermore, the aforementioned company and the Company have entered into basic agreements related to business alliances.

5. There is no special interest between any other candidates for Director and the Company.
6. Candidates for external Director Yoshiharu Hayakawa and Shiho Konno are currently external Directors of the Company. At the conclusion of this meeting, their respective tenure as external Director will be five years for Mr. Yoshiharu Hayakawa, and one year for Ms. Shiho Konno.
7. The Company has entered into agreements with Mr. Yoshiharu Hayakawa and Ms. Shiho Konno to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the maximum stipulated in laws and regulations based on the provision of Article 427, paragraph 1 of the Companies Act and the Articles of Incorporation. If the reelection of Mr. Yoshiharu Hayakawa and Ms. Shiho Konno is approved, the Company plans to renew the aforementioned agreements with them. If the election of Mr. Minoru Tanaka, Mr. Norihiro Kuretani and Mr. Tomoharu Kato is approved, the Company plans to enter into the same limited liability agreement with them.
8. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Yoshiharu Hayakawa and Ms. Shiho Konno as independent officers as provided for by the aforementioned exchange. Furthermore, Mr. Tomoharu Kato satisfies the requirements for an independent officer as provided for by the aforementioned exchange. The Company plans to submit notification to the aforementioned exchange concerning the three candidates as independent officers conditional upon the approval and adoption of this proposal.

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Member Erica Okada will expire at the conclusion of this meeting. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member.

In addition, the consent of the Audit & Supervisory Board has been obtained with respect to this proposal.

The candidate for Audit & Supervisory Board Members is as follows:

Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)		Number of shares held in the Company
Kaori Matsuhashi The officially registered name: Kaori Hosoya (June 7, 1969) [New] [External Director] [Independent Officer]	Apr. 1993	Joined Toyo Information Systems Co., Ltd.	–
	Oct. 2002	Joined Shinnihon Audit Corp. (currently KPMG AZSA LLC)	
	Apr. 2006	Registered as Certified Public Accountant	
	Jul. 2006	Joined Asset Investors Co., Ltd.	
	Nov. 2007	Manager of Corporate Planning, Asset Investors Co., Ltd.	
	Mar. 2008	Executive Officer, MK Capital Management	
	May 2009	Founder and Representative Director, Luminous Consulting (present post)	
	May 2009	Established Matsuhashi Kaori Certified Public Accountant Office (present post)	
	Jun. 2010	External Auditor, NTS Holdings Co., Ltd. (present post)	
	Jun. 2014	External Director, Spiber Inc. (present post)	
[Reason for the nomination of the candidate for External Audit & Supervisory Board Member] The Company has nominated Ms. Kaori Matsuhashi as a candidate for External Audit & Supervisory Board Member because we have determined that she can be expected to perform audits in an appropriate and objective manner with her expert knowledge as a Certified Public Accountant and broad discernment cultivated in a number of important posts.			

Notes: 1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.

2. If the election of Ms. Kaori Matsuhashi is approved, the Company plans to enter into an agreement with her to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the maximum stipulated in laws and regulations based on the provision of Article 427, paragraph 1 of the Companies Act and the Articles of Incorporation.

3. Ms. Kaori Matsuhashi satisfies the requirements of an independent officer as provided for by Tokyo Stock Exchange, Inc. The Company plans to submit notification to the aforementioned exchange concerning her as independent officer conditional upon the approval and adoption of this proposal.

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

The effective term of Substitute Audit & Supervisory Board Member Tetsuo Ito, who was elected at the 16th Annual General Meeting of Shareholders held on June 25, 2013, will expire at the beginning of this meeting. Accordingly, the Company proposes the election of one (1) Substitute Audit & Supervisory Board Member to prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained with respect to this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)	Number of shares held in the Company
Tetsuo Ito (June 6, 1975) [Reelection] [External Director] [Independent Officer]	Oct. 1997 Joined Century Audit Corporation (currently KPMG AZSA LLC) Apr. 2001 Registered as Certified Public Accountant Feb. 2004 Joined New York Office of KPMG LLP Dec. 2005 Established Ito Tetsuo Certified Public Accountant Office (present post) Sep. 2006 Founder and Representative Director, Phoenix Accounting Group Nov. 2009 Founder and Representative Partner, Omotesando Tax Corporation Jul. 2014 CFO, Croesus Retail Asset Management Pte. Ltd. (present post)	–
[Reason for the nomination of the candidate for Substitute External Audit & Supervisory Board Member] The Company has nominated Mr. Tetsuo Ito as a candidate for Substitute External Audit & Supervisory Board Member because we have determined that he can be expected to perform audits in an appropriate and objective manner with his expert knowledge as a Certified Public Accountant and broad discernment cultivated in a number of important posts.		

Notes: 1. There is no special interest between the candidate for Substitute Audit & Supervisory Board Member and the Company.

2. If Mr. Tetsuo Ito assumes office as Audit & Supervisory Board Member, the Company plans to enter into agreement with him to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the maximum stipulated in laws and regulations based on the provision of Article 427, paragraph 1 of the Companies Act and the Articles of Incorporation.

3. Mr. Tetsuo Ito satisfies the requirements of an independent officer as provided for by Tokyo Stock Exchange, Inc. If he assumes office as Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning him as an independent officer.

[Reference: Independence Criteria for External Officers]

The Company deems External Officers to be independent when, in addition to meeting the requirements of an independent officer as provided for by Tokyo Stock Exchange, Inc., there is no risk of potential conflict of interest with ordinary shareholders of the Company, by considering that no issues with independence arise in light of relationship with the Company and its Directors, and that the External Directors possess experience and knowledge of his or her area of business necessary for management supervision.

Proposal No. 5: Revision of Compensation Amount for Directors

The Extraordinary General Meeting of Shareholders held on May 26, 2000 approved to limit the Company's directors' compensation amount to a maximum of ¥30 million per month. In light of the strengthened link between the Company's directors' compensation structure and its business performance, the Company requests approval for the revision of the Company's directors' compensation amount from the current maximum of ¥30 million per month to a maximum of ¥360 million per fiscal year, stating the amount on an annual basis, with the aim of flexible compensation policies.

The directors' compensation amount will not include employee salary for employees who also serve as directors, as before.

It should be noted that the Company currently has 11 directors (includes four external directors), and even if Proposal No. 2 is approved as proposed, there will be no changes in the number of directors.

Instructions for exercising voting rights via the Internet

If you exercise your voting rights via the Internet, you are kindly requested to ascertain the following items and exercise your voting rights:

1. You can only exercise your voting rights via the Internet by accessing the voting website designated by the Company (http://www.web54.net).

   A site accessible via mobile phone is not available.

2. When exercising your voting rights via the Internet, you will need the voting rights exercise code and password shown on the voting card.
3. Voting rights may be exercised by 7:00 pm. on Tuesday, June 20, 2017 (JST), the day before the Annual General Meeting of Shareholders.
4. If you exercise your voting rights via the Internet multiple times, only the last vote exercised will be treated as valid. In addition, if you exercise your voting rights both in writing (voting card) and via the Internet, the vote via the Internet will be treated as valid.
5. The costs incurred when accessing the voting website will be the responsibility of the shareholder.
6. Please contact the following if you have questions about exercise of voting rights via the Internet.

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Telephone: 0120-652-031 (toll-free in Japan only; hours: 9:00 a.m. to 9:00 p.m.)

To Institutional Investors

Institutional investors may use the “Electronic Voting Platform” managed by ICJ, Inc.