(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, 2018

To Our Shareholders:

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

Notice of the 21st Annual General Meeting of Shareholders

You are cordially invited to attend the 21st 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 Wednesday, June 20, 2018 (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 40 and access the voting website designated by the Company (https://www.web54.net), and exercise your voting rights no later than the above date and time.

1. **Date and Time:** Thursday, June 21, 2018, at 10:00 a.m.
2. **Venue:** "HOURAI," 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 21st fiscal year (from April 1, 2017 to March 31, 2018), 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 21st fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Ten (10) Directors
Proposal No. 3: Election of One (1) Audit & Supervisory Board Member
Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

1. When you attend the meeting, you are kindly requested to present the enclosed voting card at the reception at the meeting.
2. Among the documents to be provided to this notice, the items below are posted on the Company's website (http://corporate.kakaku.com/ir) pursuant to laws and regulations, as well as Article 18 of the Articles of Incorporation.
   (1) Notes to Consolidated Financial Statements
   (2) Notes to Non-Consolidated Financial Statements
3. 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, 2017 to March 31, 2018)

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 shopping assistance website "Kakaku.com" which has been providing services since the Company was established, we now provide at least 20 services, including the restaurant discovery and reservation 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, 2018, the Japanese economy continued along a gradual recovery trend, with continued improvement in employment and personal income conditions and personal consumption showing signs of moving towards recovery. Japan's B2C e-commerce market grew a solid 9.1% to 16.5 trillion yen in the year through March 2018. The e-commerce share of Japan's total retail sales is 5.7%, 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 to 25.4 trillion yen in the year through March 2017. (*2)

Amid such an environment, the Kakaku.com site attracted 61.88 million monthly unique users (*3) in March 2018. Improved usability in the consumables category spurred growth in gross merchandise volume for consumables while at the same time launching a commission based online-to-offline (O2O) referral business. Tabelog had 142.91 million monthly unique users (*3) in March 2018. The Company took steps to increase the number of restaurants subscribing to sales promotion services and the number of online reservations. Kinarino, a lifestyle media for women, worked on enhancing the content of Kinarino Mall to increase gross transaction volume, as well as developing and selling new advertising products based on Kinarino's brand image. Consolidated subsidiary Time Design Co., Ltd., which operates a dynamic travel package business, worked to expand its business with major overseas hotels.

As a result, consolidated revenue grew 7.6% year on year to 46,782 million yen, consolidated operating profit grew 6.7% year on year to 22,876 million yen, consolidated profit before income taxes grew 6.4% year on year to 22,820 million yen and consolidated profit attributable to owners of the parent company grew 6.0% year on year to 15,699 million yen in the fiscal year ended March 31, 2018. The Company has applied the International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2018. In addition, figures for the fiscal year ended March 31, 2017 have been restated according to IFRS for comparative analysis.

Results by segment are as follows.

1) Internet Media Business

The Internet media business's revenue grew 7.1% year on year to 45,564 million yen while profit for this segment grew 5.7% year on year to 22,523 million yen in the fiscal year ended March 31, 2018.

[Kakaku.com]

In Kakaku.com's shopping business, revenue increased 1.2% year on year to 9,248 million yen. Commissions increased as a result of an increase in gross transaction volume for consumables due to the impact of usability improvements in the consumables category. In Kakaku.com's service business, revenue increased 7.2% year on year to 8,559 million yen, driven by strong performances in SIM card comparison, Wi-Fi comparison, and Credit Card comparison services. In Kakaku.com's advertising business, revenue increased 0.1% year on year to 4,166 million yen as an increase in external distribution advertising revenue absorbed the impact of a decline in PC traffic.

Overall, Kakaku.com's revenue grew 3.2% year on year to 21,973 million yen in the fiscal year ended March 31, 2018.

[Tabelog]

In Tabelog's restaurant sales promotion business, subscriptions increased due to the nationwide launch of a new fee plan (*4). Moreover, growth in the number of online reservations was firm due to an increase in restaurants offering online reservations. As a result revenue increased by 19.6% year on year to 14,990 million yen. In Tabelog's user membership business, revenue decreased by 16.5% year on year to 2,942 million yen, mainly reflecting declines in the number of premium memberships and in commission revenue from alliance partners. In Tabelog's advertising business, revenue decreased by 13.1% year on year to 2,216 million yen. Although revenue from advertising campaigns in cooperation with restaurants increased, commissions arising from customer referrals to other media declined after an increase in subscriptions to the new fee-plan.

As a result, Tabelog's revenue grew 8.3% year on year to 20,148 million yen.

[New Media and Solutions]

In the new media and solutions business, Kinarino, a lifestyle media for women, saw an increase in commission revenue from Kinarino Mall and in advertising revenue centered on tie-in promotions for things such as fashion items. In addition, at Kyujin Box, a search site for recruitment information, commission revenue increased in line with an increase in traffic.

The new media and solutions business's revenue grew 30.5% year on year to 3,444 million yen in the fiscal year ended March 31, 2018.

2) Finance Business

In the insurance agency business operated by consolidated subsidiary Kakaku.com Insurance, Inc., applications for both life and non-life insurance coverage grew and data-driven advertising revenue increased.

The finance business's revenue consequently increased 31.3% year on year to 1,218 million yen while profit for this segment increased 150.8% year on year to 348 million yen in the fiscal year ended March 31, 2018.

*1. Source: Ministry of Economy, Trade and Industry's FY2017 Survey of Infrastructure Development Status for Data-driven Society in Japan (E-Commerce Market Survey) (published April 25, 2018)

*2. Source: Japan Food Service Association's FY2016 Restaurant Industry Market Size Estimate (published July 2017).

*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.

*4. The new fee plans provide promotional services and online reservations to restaurants and consist of both a monthly fixed fee and a variable fee based on online bookings. The old fee plans only consisted of a monthly fixed fee.

(2) Capital expenditures

Capital expenditures in the fiscal year under review stood at 1,423 million yen, and the principal components were expenditures on system-related servers and software.

(3) Fund procurement

No items to report.

(4) Business transfers, absorption-type company splits and incorporation-type company splits

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 share acquisition rights of other companies

The status of the Company's acquisition or disposal of equity shares or share acquisition rights of other companies during the fiscal year under review is as follows.

1) On June 5, 2017, the Company acquired 20.1% of the issued shares of Catapult Ventures Pte. Ltd. (headquarters: Singapore), an online personal finance portal with operations in Southeast Asia, making it an affiliated company accounted for using the equity method. The Company made additional acquisitions of Catapult Ventures Pte. Ltd.'s shares on November 22, 2017 and February 28, 2018. As a result, the number of Catapult Ventures Pte. Ltd.'s shares acquired by the Company amounted to 25.4% of the issued shares of the company.
2) On January 5, 2018, the Company acquired all of the issued shares of LCL, Inc., which operates comparison sites for the shortest routes and lowest prices of overnight and highway buses, such as Yako Bus Hikaku Navi, making it a consolidated subsidiary.
3) On January 23, 2018, the Company acquired 19.9% of the issued shares of LoveBonito Holdings Pte. Ltd. (headquarters: Singapore), an online focused brand for women with operations in Southeast Asia, making it an affiliated company accounted for using the equity method.
4) On February 9, 2018, the Company acquired 70.0% of the issued shares of gaie Inc., a company specializing in digital promotion, PR, and advertising, as well as website creation, for movies, making it a consolidated subsidiary.

(8) Issues to be addressed

The Group had its origins in the shopping assistance website "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 discovery and reservation 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) CSR initiatives

The Company is working to provide solutions to social issues through its business activities based on the corporate philosophy that it keeps creating valuable services for users.

1) Offering support for purchasing energy-saving products and choosing the right energy provider to match users' lifestyles

The shopping assistance website Kakaku.com enables users to search for energy-saving products when considering the purchase of electrical appliances. Furthermore, the website offers information on electric power companies, gas companies, and solar power generation to enable users to select electric power and gas providers suitable for their lifestyles.

2) Enhancing restaurant information to cater to individual users' needs

The Company is upgrading the information provided by restaurant discovery and reservation site Tabelog to enable various users to choose the right restaurant. For instance, the site provides information for diners, who want to enjoy meals with their children, such as whether the restaurant allows baby strollers on premises and whether it has a children's menu. The website also provides information regarding restaurants that have barrier free facilities or can accommodate wheelchairs and so forth.

(10) Status of assets and profit and loss

1) Japanese-GAAP

Category	18th fiscal year (Fiscal year ended March 31, 2015)	19th fiscal year (Fiscal year ended March 31, 2016)	20th fiscal year (Fiscal year ended March 31, 2017)	21st fiscal year (Fiscal year under review) (Fiscal year ended March 31, 2018)
Net sales (Millions of yen)	35,787	41,275	45,089	–
Recurring profit (Millions of yen)	17,167	19,580	21,164	–
Profit attributable to shareholders of parent (Millions of yen)	10,890	13,100	14,838	–
Earnings per share (Yen)	49.19	59.59	68.23	–
Total assets (Millions of yen)	33,412	38,903	42,129	–
Net assets (Millions of yen)	26,630	32,111	35,398	–
Net assets per share (Yen)	119.06	145.23	161.63	–

2) International Financial Reporting Standards (IFRS)

Category	18th fiscal year (Fiscal year ended March 31, 2015)	19th fiscal year (Fiscal year ended March 31, 2016)	20th fiscal year (Fiscal year ended March 31, 2017)	21st fiscal year (Fiscal year under review) (Fiscal year ended March 31, 2018)
Revenue (Millions of yen)	–	–	43,464	46,782
Profit attributable to owners of the parent company (Millions of yen)	–	–	14,812	15,699
Basic earnings per share (Yen)	–	–	68.11	73.96
Total assets (Millions of yen)	–	–	42,481	42,770
Total equity (Millions of yen)	–	–	35,380	33,908

Note: Effective from the 21st fiscal year, the Company adopted the International Financial Reporting Standards (IFRS) in place of the Japanese generally accepted accounting principles (J-GAAP) used previously. In "2)" above, the figures for the 20th fiscal year have been reclassified under the International Financial Reporting Standards (IFRS).

(11) Important parent company and subsidiaries

1) Important parent company

No items to report.

2) Important subsidiaries

Name	Share capital (Millions of yen)	Ratio of ownership	Major business
forTravel, Inc.	191	90.2%	Provision of information via the Internet
Kakaku.com Insurance, Inc.	105	100.0%	Insurance agency business
eiga.com, Inc.	26	70.0%	Provision of information via the Internet
Time Design Co., Ltd.	358	73.1%	Dynamic package business
webCG, Inc.	10	66.5%	Provision of information via the Internet
LCL, Inc.	50	100.0%	Provision of information via the Internet
gaie Inc.	40	70.0%	Creation of movie content and websites

(12) Summary of major businesses (As of March 31, 2018)

1) Internet Media Business

This business plans and operates the shopping assistance website "Kakaku.com," restaurant discovery and reservation 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 consists of the insurance agency business.

(13) Principal offices (As of March 31, 2018)

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

(14) Major lenders (As of March 31, 2018)

No items to report.

(15) Employees (As of March 31, 2018)

1) Employees of the Group

Business segment	Number of employees	Change from the previous fiscal year-end
Internet Media Business	785 (127)	Increase of 121 (increase of 11)
Finance Business	66 (3)	Increase of 3 (decrease of 2)
Total	851 (130)	Increase of 124 (increase of 9)

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
639 (115)	Increase of 47 (increase of 14)	35.0 years old	4.8 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, 2018)

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

(2) Total number of shares issued: 210,605,000 shares

Note: The total number of shares issued decreased by 7,555,100 shares due to the retirement of treasury shares conducted on May 31, 2017 and January 4, 2018.

(3) Number of shareholders: 13,342 (decreased by 10,716 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.	43,730,000 shares	20.84%
DENTSU INC.	35,016,000 shares	16.69%
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,586,600 shares	4.57%
Japan Trustee Services Bank, Ltd. (Trust Account)	8,088,900 shares	3.86%
JPMorgan Chase Bank 385632	4,677,715 shares	2.23%
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	4,068,500 shares	1.94%
THE BANK OF NEW YORK MELLON CORPORATION 140044	3,660,001 shares	1.74%
STATE STREET BANK AND TRUST COMPANY 505001	3,550,672 shares	1.69%
THE BANK OF NEW YORK 133524	3,213,600 shares	1.53%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,904,500 shares	1.38%

Note: Calculations of ratio of shareholding exclude treasury shares (794,107 shares).

3. Share Acquisition Rights of the Company

(1) Share acquisition rights 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 share acquisition rights (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 share acquisition rights

  Payment of money for share acquisition rights shall not be required.

- Amount of contributions upon exercise of share acquisition rights

  513,600 yen per share acquisition right (1,284 yen per share)

- Period during which share acquisition rights can be exercised

  From May 3, 2015 to May 2, 2018

- Ownership by officers of the Company

	Number of share acquisition rights	Number of shares underlying the share acquisition rights	Number of holders
Directors of the Company (excluding External Directors)	123	49,200 shares	5

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 share acquisition rights and the number of shares to be issued upon exercise of share acquisition rights have been adjusted.

8th series share acquisition rights (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 share acquisition rights

  167,000 yen per share acquisition right (1,670 yen per share)

- Amount of contributions upon exercise of share acquisition rights

  100 yen per share acquisition right (1 yen per share)

- Period during which share acquisition rights can be exercised

  From September 2, 2016 to September 1, 2046

- Ownership by officers of the Company

	Number of share acquisition rights	Number of shares underlying the share acquisition rights	Number of holders
Directors of the Company (excluding External Directors)	288	28,800 shares	6

9th series share acquisition rights (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 share acquisition rights

  Payment of money for share acquisition rights shall not be required.

- Amount of contributions upon exercise of share acquisition rights

  185,400 yen per share acquisition right (1,854 yen per share)

- Period during which share acquisition rights can be exercised

  From September 3, 2018 to September 2, 2021

- Ownership by officers of the Company

	Number of share acquisition rights	Number of shares underlying the share acquisition rights	Number of holders
Directors of the Company (excluding External Directors)	90	9,000 shares	1

10th series share acquisition rights (by resolution of the meeting of the Board of Directors held on July 19, 2017 based on the resolution of the Annual General Meeting of Shareholders held on June 21, 2017)

- Amount of payments for share acquisition rights

  131,900 yen per share acquisition right (1,319 yen per share)

- Amount of contributions upon exercise of share acquisition rights

  100 yen per share acquisition right (1 yen per share)

- Period during which share acquisition rights can be exercised

  From August 4, 2017 to August 3, 2047

- Ownership by officers of the Company

	Number of share acquisition rights	Number of shares underlying the share acquisition rights	Number of holders
Directors of the Company (excluding External Directors)	276	27,600 shares	4

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

No items to report.

4. Officers of the Company

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2018)

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. Outside Director, Credit Saison Co., Ltd.
President and Representative Director	Shonosuke Hata	
Director	Minoru Tanaka	Outside Director, LOCONDO, Inc.
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 Kakaku.com, Marketing, Sales, Business Development and Customer Service
Director	Atsuhiro Murakami	Responsible for Tabelog External Director, Bengo4.com, Inc.
Director	Yoshiharu Hayakawa	Certified Public Accountant Representative, Kasumi Research Empowerment Institute External Director, DAI-ICHI HOKI CO., LTD. Outside Director, Ryoyo Electro Corporation Outside Director, Sanrio Company, Ltd.
Director	Shiho Konno	Attorney-at-law Outside Director, Alfresa Holdings Corporation
Director	Norihiro Kuretani	Executive Officer, DENTSU INC.
Director	Tomoharu Kato	President and Representative Director, XEBIO Co., Ltd. Executive Vice President, XEBIO HOLDINGS 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 Director (Audit & Supervisory Board Member), 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	Kaori Matsuhashi	Certified Public Accountant Representative Director, Luminous Consulting External Director, Spiber Inc. External Auditor, NTS Holdings Co., Ltd.

Notes: 1. Directors Yoshiharu Hayakawa, Shiho Konno, Norihiro Kuretani and Tomoharu Kato are External Directors.

2. Audit & Supervisory Board Members Toshio Takano and Kaori Matsuhashi are External Audit & Supervisory Board Members.

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

4. Audit & Supervisory Board Member Kaori Matsuhashi has a qualification of the Certified Public Accountant and a considerable degree of knowledge on finance and accounting.

(2) Outline of limited liability agreements

The Company has entered into agreements with Internal Director Minoru Tanaka, and 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

(Millions of yen)

	Total amount of remuneration	Total amount of remuneration, etc. by each category			Number to be paid (persons)
		Basic remuneration	Stock options	Bonuses	
Directors (excluding External Directors)	272	200	42	29	7
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	23	23	–	–	1
External Officers	43	43	–	–	7

Notes: 1. The above table includes the amount of remuneration during the tenure of one Director and one Audit & Supervisory Board Member who retired from office at the conclusion of the 20th Annual General Meeting of Shareholders held on June 21, 2017.

2. Two External Directors are without remuneration.

3. The amount of stock options described above is the amount charged in the fiscal year ended March 31, 2018 out of the expense for the stock options granted to the seven Directors (excluding External Directors) (the 8th series share acquisition rights, 9th series share acquisition rights and 10th series share acquisition rights).

(4) External Officers

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

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

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.” DENTSU INC. has also signed a letter of intent concerning a business alliance with the Company.

Director Tomoharu Kato is the President and Representative Director of XEBIO Co., Ltd. and Executive Vice President of XEBIO HOLDINGS CO., LTD. Although the Company has a business relationship with XEBIO Co., Ltd., the transaction amount between the Company and the said company is less than 0.1% of the Company’s consolidated revenue for the fiscal year under review.

Audit & Supervisory Board Member Kaori Matsuhashi is the Representative Director of Luminous Consulting. There is no special interest between the said company and the Company.

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

Director Yoshiharu Hayakawa is an External Director of DAI-ICHI HOKI CO., LTD. and an Outside Director of 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 Outside Director of Alfresa Holdings Corporation. There is no special interest between the said company and the Company.

Audit & Supervisory Board Member Toshio Takano is an External Director of Mori Building Investment Management Co., Ltd., External Director of Revamp Corporation, and 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 Kaori Matsuhashi is an External Director of Spiber Inc. and an External Auditor of NTS Holdings Co., Ltd. There is no special interest between the said companies and the Company.

3) Major activities in the fiscal year under review

Director Yoshiharu Hayakawa 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 professional expertise as a certified public accountant and experience as external officers at other companies.

Director Shiho Konno attended all of the 17 meetings of the Board of Directors held during the fiscal year under review. 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.

Director Norihiro Kuretani attended 8 of the 13 meetings of the Board of Directors held since assuming his post on June 21, 2017. 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 Tomoharu Kato attended 12 of the 13 meetings of the Board of Directors held since assuming his post on June 21, 2017. 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 experience as an executive and a manager in a wide range of industries.

Audit & Supervisory Board Member Toshio Takano attended 15 of the 17 meetings of the Board of Directors and all 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 Kaori Matsuhashi attended all of the 13 meetings of the Board of Directors and all of the 7 meetings of the Audit & Supervisory Board held since assuming her post on June 21, 2017. She 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 her professional expertise as a certified public accountant and experience as external officers at other companies. 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	40 million yen
2) Total money and other economic benefits to be paid to the Financial Auditor by the Company and its subsidiaries	40 million yen

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 statement of financial position

(As of March 31, 2018)

(Millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**29,559**	**Current liabilities**	**8,291**
Cash and cash equivalents	21,029	Trade and other payables	1,787
Trade and other receivables	7,612	Bonds and borrowings	168
Other financial assets	36	Other financial liabilities	219
Other current assets	883	Income taxes payable	3,986
		Employee benefit obligations	1,092
		Other current liabilities	1,038
Non-current assets	**13,211**	**Non-current liabilities**	**571**
Property, plant and equipment	1,128	Bonds and borrowings	235
Goodwill and other intangible assets	7,247	Provisions	164
		Other non-current liabilities	172
Investments accounted for using equity method	2,004	**Total liabilities**	**8,862**
		Equity	
Other financial assets	2,644	**Equity attributable to owners of the parent company**	**33,573**
Deferred tax assets	142	Share capital	916
Other non-current assets	46	Capital surplus	441
		Retained earnings	33,060
		Treasury shares	(1,255)
		Other components of equity	411
		Non-controlling interests	**335**
		Total equity	**33,908**
Total assets	**42,770**	**Total liabilities and equity**	**42,770**

Note: Amounts less than 1 million yen are rounded.

Consolidated statement of profit or loss

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	Amount
Revenue	**46,782**
Operating expenses	**24,105**
Other income	**204**
Other expenses	**5**
Operating profit	**22,876**
Finance income	**9**
Finance expenses	**3**
Share of profit (loss) of associates and joint ventures accounted for using equity method	**(62)**
Profit before income taxes	**22,820**
Income tax expense	**7,083**
Profit	**15,737**
Profit attributable to:	
Owners of the parent company	**15,699**
Non-controlling interests	**39**

Note: Amounts less than 1 million yen are rounded.

Consolidated statement of changes in equity

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Equity attributable to owners of the parent company			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of April 1, 2017	916	822	36,154	(3,019)
Profit			15,699	
Other comprehensive income				
Total comprehensive income	–	–	15,699	–
Dividends			(6,451)	
Purchase or disposal of treasury shares			(12,341)	1,764
Changes in ownership interest in subsidiaries		(359)		
Share-based payment transactions				
Cancellation of share acquisition rights		11		
Change in scope of consolidation				
Others		(32)		
Transfer from other components of equity to retained earnings				
Total transactions with owners	–	(381)	(18,793)	1,764
Balance as of March 31, 2018	916	441	33,060	(1,255)

Note: Amounts less than 1 million yen are rounded.

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Other components of equity					Total		
	Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Share acquisition rights	Total other components of equity			
Balance as of April 1, 2017	105	(4)	–	184	285	35,158	222	35,380
Profit					–	15,699	39	15,737
Other comprehensive income	111	1	1		113	113		113
Total comprehensive income	111	1	1	–	113	15,812	39	15,850
Dividends					–	(6,451)		(6,451)
Purchase or disposal of treasury shares				(38)	(38)	(10,616)		(10,616)
Changes in ownership interest in subsidiaries					–	(359)		(359)
Share-based payment transactions				62	62	62		62
Cancellation of share acquisition rights				(11)	(11)	–		–
Change in scope of consolidation					–	–	74	74
Others					–	(32)		(32)
Transfer from other components of equity to retained earnings					–	–		–
Total transactions with owners	–	–	–	13	13	(17,397)	74	(17,322)
Balance as of March 31, 2018	216	(4)	1	197	411	33,573	335	33,908

Note: Amounts less than 1 million yen are rounded.

Non-consolidated balance sheet

(As of March 31, 2018)

(Millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**25,823**	**Current liabilities**	**6,478**
Cash and time deposits	17,765	Accounts payable - trade	278
Notes receivable - trade	18	Accounts payable - other	1,283
Accounts receivable - trade	6,863	Accrued expenses	57
Accounts receivable - other	13	Income taxes payable	3,722
Prepaid expenses	268	Accrued consumption taxes	439
Deferred tax assets	493	Advances received	135
Other current assets	406	Deposits received	105
Allowance for doubtful accounts	(5)	Provision for bonuses	394
Fixed assets	**14,461**	Provision for directors' bonuses	34
Tangible fixed assets	**816**	Others	26
Buildings	228	**Non-current liabilities**	**292**
Furniture and fixtures	559	Long-term guarantee deposited	155
Construction in progress	25	Asset retirement obligations	136
Others	3	**Total liabilities**	**6,771**
Intangible fixed assets	**1,670**	**Net assets**	
Software	1,575	**Shareholders' equity**	**33,065**
Software in progress	95	Common stock	915
Investments and other assets	**11,974**	Capital surplus	1,087
Investments in securities	1,907	Legal capital surplus	1,087
Shares of subsidiaries and associates	8,871	Retained earnings	32,317
		Other retained earnings	32,317
Long-term prepaid expenses	46	Retained earnings brought forward	32,317
Deferred tax assets	552		
Guarantee deposits	596	Treasury stock	(1,255)
Claims provable in bankruptcy, claims provable in rehabilitation and other	5	**Valuation and translation adjustments**	**250**
Allowance for doubtful accounts	(5)	Valuation difference on available-for-sale securities	250
		Share acquisition rights	**197**
		Total net assets	**33,513**
Total assets	**40,284**	**Total liabilities and net assets**	**40,284**

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

Non-consolidated statement of income

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	Amount	
Net sales		**43,992**
Cost of sales		**2,632**
Gross profit		**41,360**
Selling, general and administrative expenses		**19,411**
Operating income		**21,948**
Non-operating income		**40**
Interest and dividend income	9	
Fiduciary obligation fee	14	
Subsidy income	4	
Vending machine commissions	8	
Others	4	
Non-operating expense		**82**
Commission for purchase of treasury stock	33	
Loss on investments in partnership	46	
Others	2	
Recurring profit		**21,906**
Extraordinary profit		**11**
Gain on reversal of share acquisition rights	10	
Others	0	
Extraordinary loss		**2**
Loss on transfer of business	2	
Profit before income taxes		**21,916**
Corporate tax, local tax and business tax	6,745	
Income taxes deferred	(156)	6,588
Profit		**15,327**

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

Non-consolidated statement of changes in equity

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward	
Balance as of April 1, 2017	915	1,087	1,087	35,782	35,782
Changes of items during period					
Dividends of surplus			–	(6,451)	(6,451)
Profit			–	15,327	15,327
Purchase of treasury stock			–		–
Retirement of treasury stock			–	(12,251)	(12,251)
Disposal of treasury stock		(90)	(90)		–
Transfer of loss on disposal of treasury stock		90	90	(90)	(90)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	–	(3,465)	(3,465)
Balance as of March 31, 2018	915	1,087	1,087	32,317	32,317

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

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	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, 2017	(3,019)	34,766	90	90	184	35,041
Changes of items during period						
Dividends of surplus		(6,451)		–		(6,451)
Profit		15,327		–		15,327
Purchase of treasury stock	(10,779)	(10,779)		–		(10,779)
Retirement of treasury stock	12,251	–		–		–
Disposal of treasury stock	292	202		–	(49)	153
Transfer of loss on disposal of treasury stock				–		–
Net changes of items other than shareholders' equity		–	159	159	61	221
Total changes of items during period	1,763	(1,701)	159	159	12	(1,528)
Balance as of March 31, 2018	(1,255)	33,065	250	250	197	33,513

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

Financial Audit Report on Consolidated Financial Statements (Translation)

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

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 statement of financial position sheet, the consolidated statement of profit or loss, the consolidated statement of changes in equity and notes to consolidated financial statements of Kakaku.com, Inc. (the "Company") and its consolidated subsidiaries for the fiscal year from April 1, 2017 to March 31, 2018.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Regulation of Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, 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, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Regulation of Corporate Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2018, and the results of their operations for the year then ended.

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 (Translation)

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

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 and notes to non-consolidated financial statements, and supplementary schedules of Kakaku.com, Inc. (the "Company") for the 21st fiscal year from April 1, 2017 to March 31, 2018.

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, 2018, 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 21st fiscal year (from April 1, 2017 to March 31, 2018), 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 Enforcement Regulation 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 Regulation of Corporate Accounting) 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 statement of financial position, consolidated statement of profit or loss, 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. Furthermore, from a perspective of continuing to strengthen corporate governance going forward, we acknowledge the importance of ongoing initiatives related to the internal control system, including at subsidiaries.

(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 17, 2018

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	Kaori Matsuhashi	(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 21st 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 16 yen per common share of the Company.

   In this event, the total dividends will be 3,356,974,288 yen.

   As the Company paid an interim dividend of 16 yen per share, the annual dividend for the fiscal year under review will be 32 yen per share.

3. Effective date of dividends of surplus

   Friday, June 22, 2018

Proposal No. 2: Election of Ten (10) 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 ten (10) 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:
17/17</td><td>Aug. 1995</td><td>Founder and Representative Director, Digital Garage, Inc.</td><td rowspan="2">147,600 shares</td></tr>
<tr><td>Jul. 2002
Jun. 2003
Oct. 2015
Jun. 2016
Sep. 2016
Sep. 2016
May 2017</td><td>Representative Chairman, the Company
Chairman of the Board, the Company (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></td><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">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
Jan. 2018
Mar. 2018</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)
Audit & Supervisory Board Member, LCL, Inc. (present post)
Director, gaie Inc. (present post)</td><td>14,700 shares</td></tr>
<tr><td></td><td colspan="4">[Reason for the nomination of the candidate for Director]
Mr. Shonosuke Hata has planned and developed a variety of businesses, including internet advertising since joining the Company, 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>
</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>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
External Board Director, Digital Garage, Inc. (present post)
Director, the Company (present post)
External Director, Sundrug Co., Ltd. (present post)</td><td>43,300 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>
<tr><td rowspan="2">4</td><td>Hajime Uemura
(February 19, 1973)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Oct. 1999
Apr. 2003
Oct. 2004
Jul. 2005
May 2006

Jun. 2008

Jun. 2009

Apr. 2014
Jun. 2017
Jan. 2018
Mar. 2018
Responsible for Administration, Human Resources and Legal Affairs</td><td>Joined KPMG Century Audit (currently KPMG AZSA LLC)
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)
Director, LCL, Inc. (present post)
Director, gaie Inc. (present post)</td><td>46,300 shares</td></tr>
<tr><td colspan="4">[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 capital policy, 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>
</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>Shingo Yuki
(May 13, 1975)

[Reelection]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Apr. 1999
Mar. 2004
Jul. 2005
May 2006
Jun. 2008
Jun. 2010
Apr. 2013
Nov. 2015
Jun. 2017
Responsible for Kakaku.com, Marketing, Sales, Business Development and Customer Service</td><td>Joined ITOCHU TECHNO-SCIENCE Corporation (currently ITOCHU Techno-Solutions Corporation)
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><td>29,700 shares</td></tr>
<tr><td colspan="4">[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">6</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>5,700 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">7</td><td>Yoshiharu Hayakawa
(February 23, 1948)

[Reelection]
[External Director]
[Independent Officer]

Attendance at the meetings of the Board of Directors:
17/17</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. (currently MUFG Bank, 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)
Outside Director, Sanrio Company, Ltd.</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">8</td><td>Shiho Konno
(June 28, 1963)

[Reelection]
[External Director]
[Independent Officer]

Attendance at the meetings of the Board of Directors:
17/17</td><td>Apr. 1991
Jun. 2005
Mar. 2008
Apr. 2009
Apr. 2014
Aug. 2014
Jun. 2015
Jun. 2016
Jun. 2017</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.
External Director, the Company (present post)
Outside Director, Alfresa Holdings Corporation (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>

<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">9</td><td>Norihiro Kuretani
(December 3, 1965)
[Reelection]
[External Director]

Attendance at the meetings of the Board of Directors:
8/13 *</td><td>Apr. 1988
Jul. 2012
Jun. 2016
Jul. 2016
Jul. 2016
Jan. 2017
Mar. 2017
Mar. 2017
Mar. 2017
Jun. 2017
Aug. 2017</td><td>Joined DENTSU INC.
Deputy Director, MC Planning Division, DENTSU INC.
Director, D2C Inc. (present post)
Director, Dentsu Digital Inc.
Director, Digital Platform Center, DENTSU INC.
Executive Officer, DENTSU INC. (present post)
Director, Information Services International-Dentsu, Ltd. (present post)
Director, Dentsu Aegis Japan Inc. (present post)
Director, Dentsu Digital Holdings Inc. (currently Dentsu Innovation Partners Inc.) (present post)
External Director, the Company (present post)
Director, Rakuten Data Marketing, Inc. (present post)</td><td>–</td></tr>
<tr><td colspan="4">[Reason for the nomination of the candidate for External Director]
Mr. Norihiro Kuretani has provided practical suggestions based on 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. 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.</td></tr>
<tr><td rowspan="2">10</td><td>Tomoharu Kato
(September 8, 1974)
[Reelection]
[External Director]
[Independent Officer]

Attendance at the meetings of the Board of Directors:
12/13 *</td><td>Apr. 1999
Apr. 2000
Apr. 2004
Dec. 2007
Dec. 2008
Oct. 2012
Mar. 2014
Jun. 2015
Oct. 2015
Oct. 2015
Jun. 2017</td><td>Joined Deutsche Securities (currently Deutsche Bank)
Joined McKinsey & Company
Joined FIELDS CORPORATION
Joined Unison Capital, Inc.
On loan to AKINDO SUSHIRO CO., LTD., Manager of President’s Office
Managing Director, AKINDO SUSHIRO CO., LTD.
Director and COO, AKINDO SUSHIRO CO., LTD.
Founder, President and Representative Director, Turnaround Management CO., LTD.
Joined XEBIO Co., Ltd.
President and Representative Director, XEBIO Co., Ltd. (present post)
Executive Vice President, XEBIO HOLDINGS 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]
Mr. Tomoharu Kato has provided practical suggestions based on his extensive experience in various sectors and broad discernment cultivated through his career as a manager. 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.</td></tr>
</table>

Notes: 1. * indicates attendance at the meetings of the Board of Directors since assuming their posts on June 21, 2017.

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 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.

4. Candidate for External Director Tomoharu Kato is the President and Representative Director of XEBIO 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 revenue of the Company for the fiscal year under review.
5. There is no special interest between any other candidates for Director and the Company.
6. Candidates for External Director Yoshiharu Hayakawa, Shiho Konno, Norihiro Kuretani and Tomoharu Kato are currently External Directors of the Company. At the conclusion of this meeting, their respective tenure as External Director will be six years for Mr. Yoshiharu Hayakawa, two years for Ms. Shiho Konno, and one year for Mr. Norihiro Kuretani and Mr. Tomoharu Kato.
7. The Company has entered into agreements with Mr. Yoshiharu Hayakawa, Ms. Shiho Konno and Mr. Tomoharu Kato 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, Ms. Shiho Konno and Mr. Tomoharu Kato is approved, the Company plans to renew the aforementioned agreements with them. If the reelection of non-executive Director Kenji Fujiwara is approved, the Company plans to enter into the same limited liability agreement with him.
8. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Yoshiharu Hayakawa, Ms. Shiho Konno and Mr. Tomoharu Kato as independent officers as provided for by the aforementioned exchange.

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

The terms of office of Audit & Supervisory Board Member Toshio Takano 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
Hisashi Kajiki (September 13, 1948) [New] [External Director] [Independent Officer]	Apr. 1977	Appointed as a Prosecutor	–
	Jun. 2010	Superintending Prosecutor, the Takamatsu High Public Prosecutors Office	
	Dec. 2010	Superintending Prosecutor, the Hiroshima High Public Prosecutors Office	
	Sep. 2011	Deputy Inspector General, Inspector General's Office of Legal Compliance, Ministry of Defense	
	Apr. 2015	Registered as attorney-at-law Joined Hurray Law Office (present post)	
	Jun. 2015	Special Member, Internal Audit Committee, Mizuho Financial Group, Inc. (present post)	
	Sep. 2015	Head, Discipline Committee, Japan Investment Advisers Association (present post)	
	Apr. 2016	Member, Japanese Supreme Court Supreme Court Administrative Appeal Review Committee (present post)	
	Jun. 2016	Outside Director, MAEDA ROAD CONSTRUCTION Co., Ltd (present post)	
[Reason for the nomination of the candidate for External Audit & Supervisory Board Member] The Company has nominated Mr. Hisashi Kajiki as a candidate for 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 an attorney-at-law 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 Mr. Hisashi Kajiki is approved, the Company plans to enter into an 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. Hisashi Kajiki 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 him as independent officer conditional upon the approval and adoption of this proposal.

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

Mr. Tetsuo Ito, who was elected as a Substitute Audit & Supervisory Board Member in the 20th Annual General Meeting of Shareholders held on June 21, 2017, has given notice of his resignation as Substitute Audit & Supervisory Board Member as of the start of this General Meeting. To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations, the Company proposes the election of one (1) Substitute Audit & Supervisory Board Member based on the provision of Article 329, paragraph 3 of the Companies Act.

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
Shinichiro Yamaoka (July 21, 1969) [New] [External Director] [Independent Officer]	Oct. 1994 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Mar. 1999 Registered as Certified Public Accountant Sep. 2007 Retired from Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Oct. 2007 Founder and Representative Director, Veritas Accounting (present post) Oct. 2007 Founder and Partner, Yamaoka Law and Accounting Offices (present post) Jun. 2010 Outside Director, eGuarantee, Inc. (present post)	–
[Reason for the nomination of the candidate for Substitute External Audit & Supervisory Board Member] The Company has nominated Mr. Shinichiro Yamaoka 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. Shinichiro Yamaoka 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. Shinichiro Yamaoka 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.

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 (https://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 Wednesday, June 20, 2018 (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.