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November 5, 2021

Kakaku.com, Inc.
Consolidated Earnings Report for the Second Quarter of the Fiscal Year Ending March 31, 2022

Stock listings: Tokyo Stock Exchange (First Section)
Securities code: 2371
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Scheduled dates
Filing of statutory quarterly financial report: November 11, 2021
Dividend payout: December 1, 2021
Supplementary materials to financial results available: Yes
Quarterly earnings presentation held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded.)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022

(1) Consolidated Operating Results (% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit attributable to owners of the parent company		Total comprehensive income for the period	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Q2 FY2022/3	23,882	9.8	8,121	18.1	8,027	22.0	5,769	33.3	5,774	30.0	5,721	31.7
Q2 FY2021/3	21,746	(26.4)	6,877	(49.3)	6,579	(50.7)	4,329	(52.4)	4,442	(51.2)	4,345	(51.6)

	Basic earnings per share	Diluted earnings per share
	¥	¥
Q2 FY2022/3	28.06	28.04
Q2 FY2021/3	21.57	21.56

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent company	Total equity attributable to owners of the parent company ratio
	¥ million	¥ million	¥ million	%
As of September 30, 2021	66,654	45,098	44,825	67.3
As of March 31, 2021	70,958	47,141	46,880	66.1

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year end	Annual total
	¥	¥	¥	¥	¥
FY2021/3	-	20.00	-	20.00	40.00
FY2022/3	-	20.00			
FY2022/3 (Forecast)			-	20.00	40.00

(Note) Revisions to most recent dividend forecasts: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent company		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	55,800	9.2	21,500	17.5	21,300	19.0	14,600	24.1	70.94

(Note) Revisions to most recent earnings forecasts: None

***Notes**

(1) Changes in significant subsidiaries during the period: Yes
Excluded from the scope of consolidation: 4travel, Inc.

(2) Accounting policy changes and accounting estimate changes:
i) Changes in accounting policies required by IFRS: None
ii) Changes other than the above i): None
iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)
i) Number of shares issued at end of period (treasury shares included):
September 30, 2021: 206,705,000 shares
March 31, 2021: 206,705,000 shares
ii) Number of shares held in treasury at end of period:
September 30, 2021: 1,790,487 shares
March 31, 2021: 701,758 shares
iii) Average number of shares outstanding during the period:
September 30, 2021: 205,799,468 shares
September 30, 2020: 205,870,438 shares

***** Quarterly consolidated earnings reports are exempt from the quarterly review procedures of certified public accountants and the accounting auditor.

***Appropriate Use of Earnings Forecasts and Other Important Information**

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

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1. Operating Results and Financial Position

(1) Operating Results

The Company's operating results for the six months ended September 30, 2021, were as follows.
Consolidated revenue increased 9.8% year on year to 23,882 million yen. This was mainly due to the increase in revenue in the Tabelog business and the New Media and Solutions business, despite the decline in revenue in the Kakaku.com business amid the restrictions on economic activity associated with the COVID-19 pandemic.
Consolidated operating profit increased 18.1% year on year to 8,121 million yen, mainly as a net result of the increase in revenue, a decrease in advertising expenses, and increases in personnel expenses and commissions.
Consolidated profit before income taxes increased 22.0% year on year to 8,027 million yen, mainly reflecting the increase in operating profit and the booking of profit (loss) on equity-method investments.
Consolidated profit attributable to owners of the parent company increased 30.0% year on year to 5,774 million yen.
Operating results (after intersegment eliminations) are presented below by business segment.

(a) Internet Media Business
The Internet media business's revenue increased 9.6% year on year to 22,531 million yen while its segment income grew 18.7% year on year to 7,781 million yen in the six months ended September 30, 2021.

(Kakaku.com)
Kakaku.com's revenue declined 7.9% year on year to 10,531 million yen in the six months ended September 30, 2021.
In the shopping business, revenue decreased due to product launch postponements and other impacts on the supply side.
In the service business, revenue declined, particularly in the financial and automobile domains, as personal consumption remained weak. Despite a decline in home appliance/home electronics and automobile advertisement placements in the six months ended September 30, 2021, in conjunction with product launch postponements and production adjustments, revenue for advertising business increased overall as advertisers generally resumed placing home appliance/electronic- and PC-related advertisements in the three months ended June 30, 2021.
As a result, revenue in the shopping business declined 16.2% year on year to 4,394 million yen, revenue in the service business declined 4.1% year on year to 4,184 million yen, and revenue in the advertising business increased 6.9% year on year to 1,954 million yen.
Kakaku.com had 63.14 million monthly unique users[1] in September 2021.

(Tabelog)
Tabelog's revenue increased 17.5% year on year to 7,318 million yen in the six months ended September 30, 2021.
The restaurant promotion business's revenue increased 21.3% year on year to 5,691 million yen. Revenue increased due to factors including the recovering demand for dining out , although it remaining weak, as well as the fact that restaurant promotion services, which were provided free of charge from April to June of last year, were resumed in July of last year.
The fee-based plan subscribership stood at 58,500 restaurants as of September 30, 2021. Online reservation bookings increased 29.4% year on year to a total of 8.35 million people.
The premium membership business's revenue decreased 10.9% year on year to 767 million yen due to a decline in fee-paying members.
Revenue in the advertising business increased 1.1% year on year to 680 million yen as a result of partnerships with other sites, and commissioned business revenue was 180 million yen[2].
Tabelog had 99.85 million monthly unique users[1] in September 2021.

(New Media and Solutions)
The New Media and Solutions business's revenue increased 61.2% year on year to 4,681 million yen in the six months ended September 30, 2021.
Revenue increased in all domains, particularly in the Kyujin Box business and in the real estate domain, but some services in both the travel/transportation and the entertainment/hobbies domains continued to be impacted by COVID-19.

(b) Finance Business
The finance business's revenue grew 14.2% year on year to 1,351 million yen, while its segment income increased 6.3% year on year to 337 million yen in the six months ended September 30, 2021.
Kakaku.com Insurance, a site operated by consolidated subsidiary Kakaku.com Insurance, Inc., increased its commission revenue through growth in online applications mainly for life insurance coverage.

(Notes) 1. Monthly unique users are counted as the number of browsers that visited the site (for certain browsers, operating systems, etc., there may be instances in which users who re-visited the site after a certain period of time are counted multiple times). Double-counting as a side effect of high-speed loading of mobile webpages and mechanical accesses by third parties' web-scraping bots etc. are eliminated from the count to the fullest extent possible.

2. Refers to revenue from Go To Eat campaign-related business commissioned by the Ministry of Agriculture, Forestry and Fisheries. It does not, however, include advertising income (booked in the advertising business) related to these commissioned operations.

(2) Financial Position

1) Analysis of Financial Position

Assets
Consolidated assets at September 30, 2021, totaled 66,654 million yen, a 4,304 million yen decline from March 31, 2021. The decline was mainly the result of a 5,128 million yen decrease in cash and cash equivalents, a 672 million yen decline in right-of-use assets, and a 660 million yen decrease in trade and other receivables, despite increases of 902 million yen in other current assets, 708 million yen in other financial assets (current), 519 million yen in other financial assets (non-current), and 433 million in deferred tax assets.

Liabilities
Consolidated liabilities at September 30, 2021, totaled 21,556 million yen, a 2,261 million yen decrease from March 31, 2021. The decrease was mainly the result of a 2,416 million yen reduction in other financial liabilities (current), a 648 million yen decline in lease liabilities (non-current), a 338 million decrease in bonds and borrowings, a 278 million yen decline in trade and other payables, and a 140 million yen decline in income taxes payable, despite increases of 1,390 million yen in current liabilities and 156 million yen in Employee benefit obligations.

Equity
Consolidated equity at September 30, 2021, totaled 45,098 million yen, a 2,043 million yen decrease from March 31, 2021. This was mainly the net result of 5,774 million yen of profit attributable to owners of the parent company, the declaration of a 4,120 million yen dividend from retained earnings, and a 3,762 million yen increase in treasury shares.

2) Cash Flows
Cash and cash equivalents (“cash”) at September 30, 2021, totaled 29,760 million yen, a 5,128 million yen decrease from March 31, 2021. Cash flows from operating, investing, and financing activities were as follows.

Cash flows from operating activities
Operating activities provided net cash of 6,311 million yen (vs. 3,833 million yen provided in the year-earlier period). The main inflows were 8,027 million yen of profit before income taxes, 1,757 million yen in depreciation and amortization, and 660 million yen provided by the reduction in trade and other receivables, which were partially offset by outflows of 2,534 million yen in income taxes paid, 2,416 million yen used due to the decrease in other financial liabilities, and 231 million yen due to the decrease in trade and other payables.

Cash flows from investing activities
Investing activities used net cash of 1,283 million yen (vs. 877 million yen used in the year-earlier period). This was primarily due to 647 million yen used for the purchase of investment securities, 607 million yen used to purchase intangible assets, including server software, and 187 million yen used to purchase property, plant and equipment.

Cash flows from financing activities
Financing activities used net cash of 10,155 million yen (vs. 5,154 million yen used in the year-earlier period), mostly 4,120 million yen for dividends paid, 5,001 million yen used to purchase treasury stock, 711 million yen used for the repayment of lease obligations, and the 315 million yen decline in net increase (decrease) in short-term loans payable.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements
The consolidated earnings forecasts for the fiscal year ending March 31, 2022, which were disclosed in the “Notice of Revision of Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2022” released on October 20, 2021, remain unchanged.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	34,888	29,760
Trade and other receivables	7,672	7,012
Other financial assets	684	1,392
Other current assets	3,952	4,854
Total current assets	47,196	43,018
Non-current assets		
Property, plant and equipment	2,453	2,337
Right-of-use assets	8,050	7,378
Goodwill and other intangible assets	6,964	6,803
Investments accounted for using equity method	2,063	1,947
Other financial assets	3,410	3,929
Deferred tax assets	722	1,155
Other non-current assets	100	87
Total non-current assets	23,762	23,636
Total assets	70,958	66,654

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Trade and other payables	2,400	2,122
Bonds and borrowings	806	468
Other financial liabilities	3,968	1,552
Income taxes payable	2,736	2,596
Lease liabilities	1,357	1,372
Employee benefit obligations	1,628	1,784
Other current liabilities	4,013	5,403
Total current liabilities	16,907	15,298
Non-current liabilities		
Bonds and borrowings	83	76
Lease liabilities	6,016	5,369
Provisions	539	543
Other non-current liabilities	271	271
Total non-current liabilities	6,909	6,258
Total liabilities	23,816	21,556
Equity		
Capital stock	916	916
Capital surplus	463	426
Retained earnings	47,028	48,792
Treasury shares	(1,842)	(5,604)
Other components of equity	316	296
Total equity attributable to owners of the parent company	46,880	44,825
Non-controlling interests	261	273
Total equity	47,141	45,098
Total liabilities and equity	70,958	66,654

(2) Condensed Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Revenue	21,746	23,882
Operating expenses	14,900	15,787
Other income	47	30
Other expenses	16	4
Operating profit	6,877	8,121
Finance income	131	48
Finance expenses	58	26
Share of profit (loss) of associates and joint ventures accounted for using the equity method	(62)	(116)
Impairment loss on investments accounted forusing the equity method	308	–
Profit before income taxes	6,579	8,027
Income tax expense	2,250	2,259
Profit	4,329	5,769
Profit attributable to:		
Owners of the parent company	4,442	5,774
Non-controlling interests	(113)	(5)
Earnings per share		
Basic earnings per share (yen)	21.57	28.06
Diluted earnings per share (yen)	21.56	28.04

(3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	4,329	5,769
Other comprehensive income (Net of related tax effect)		
Items that will not be reclassified to profit or loss		
Net changes in fair value of financial assets measured at fair value through other comprehensive income	13	(48)
Total items that will not be reclassified to profit or loss	13	(48)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	0	0
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	3	(0)
Total items that may be reclassified to profit or loss	3	(0)
Other comprehensive income (Net of related tax effect)	16	(48)
Comprehensive income	4,345	5,721
Comprehensive income attributable to:		
Owners of the parent company	4,457	5,726
Non-controlling interests	(113)	(5)

(4) Condensed Consolidated Statements of Changes in Equity

Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
					Other components of equity							
	Capital stock	Capital surplus	Retained earnings	Treasury shares	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 the equity method	Subscription rights to shares	Total other components of equity	Total		
Balance at beginning of period	916	464	43,515	(2,196)	(7)	(15)	(6)	238	210	42,909	394	43,303
Profit	—	—	4,442	—	—	—	—	—	—	4,442	(113)	4,329
Other comprehensive income	—	—	—	—	13	0	3	—	16	16	0	16
Total comprehensive income	—	—	4,442	—	13	0	3	—	16	4,457	(113)	4,345
Dividends	—	—	(4,117)	—	—	—	—	—	—	(4,117)	—	(4,117)
Purchase or disposal of treasury shares	—	—	(4)	14	—	—	—	(6)	(6)	5	—	5
Share-based payment transactions	—	—	—	—	—	—	—	71	71	71	—	71
Others	—	(1)	—	—	—	—	—	1	1	(0)	—	(0)
Total transactions with owners	—	(1)	(4,121)	14	—	—	—	67	67	(4,042)	—	(4,042)
Balance at end of period	916	463	43,836	(2,182)	6	(15)	(3)	304	292	43,325	281	43,606

Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
					Other components of equity					Total		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	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 the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning ofperiod	916	463	47,028	(1,842)	37	(14)	(1)	293	316	46,880	261	47,141
Profit	—	—	5,774	—	—	—	—	—	—	5,774	(5)	5,769
Other comprehensive income	—	—	—	—	(48)	0	(0)	—	(48)	(48)	0	(48)
Total comprehensive income	—	—	5,774	—	(48)	0	(0)	—	(48)	5,726	(5)	5,721
Dividends	—	—	(4,120)	—	—	—	—	—	—	(4,120)	—	(4,120)
Purchase or disposal of treasury shares	—	—	(13)	(3,762)	—	—	—	(6)	(6)	(3,780)	—	(3,780)
Changes in ownership interest in subsidiaries	—	(36)	—	—	0	—	—	—	0	(36)	36	—
Share-based payment transactions	—	—	—	—	—	—	—	34	34	34	—	34
Change in scope of consolidation	—	—	122	—	—	—	—	—	—	122	(18)	104
Others	—	(1)	—	—	—	—	—	—	—	(1)	—	(1)
Total transactions with owners	—	(37)	(4,010)	(3,762)	0	—	—	28	28	(7,781)	17	(7,763)
Balance at end of period	916	426	48,792	(5,604)	(10)	(14)	(1)	322	296	44,825	273	45,098

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	6,579	8,027
Adjustments to reconcile profit before income taxes		
Depreciation and amortization	1,741	1,757
Interest and dividend income	(4)	(3)
Decrease (increase) in trade and other receivables	1,206	660
Increase (decrease) in trade and other payables	(716)	(231)
Increase (decrease) in other financial liabilities	125	(2,416)
Other	(495)	1,069
Subtotal	8,436	8,863
Interest and dividend income received	4	3
Interest paid	(24)	(22)
Income taxes paid	(4,583)	(2,534)
Net cash provided by (used in) operating activities	3,833	6,311
Cash flows from investing activities		
Purchase of property, plant and equipment	(284)	(187)
Purchase of intangible assets	(794)	(607)
Purchase of investment securities	(46)	(647)
Proceeds from distribution of investment in partnerships	1	57
Payments for lease and guarantee deposits	(91)	(23)
Other	337	123
Net cash provided by (used in) investing activities	(877)	(1,283)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	325	(315)
Repayments of long-term loans payable	(22)	(30)
Repayments of lease obligations	(1,340)	(711)
Purchase of treasury stock	—	(5,001)
Dividends paid	(4,117)	(4,120)
Proceeds from exercise of share options	5	27
Other	(4)	(5)
Net cash provided by (used in) financing activities	(5,154)	(10,155)
Effect of exchange rate change on cash and cash equivalents	1	(0)
Net increase (decrease) in cash and cash equivalents	(2,197)	(5,128)
Cash and cash equivalents at beginning of period	29,504	34,888
Cash and cash equivalents at end of period	27,306	29,760

(6) Notes on the Condensed Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable.

(Significant subsequent events)

(Cancellation of treasury shares)

On October 20, 2021, the Board of Directors resolved to cancel a portion of the treasury shares held by the Company pursuant to the provisions of Article 178 of the Companies Act and cancelled said treasury shares.

1. Reason for cancellation of treasury shares

The Company conducted the cancellation of treasury shares to facilitate the flexible execution of capital policies in a manner that is responsive to changes in the business environment, and to enhance shareholder returns by increasing capital efficiency.

2. Details of the cancellation of treasury shares

(1) Method of cancellation:	Deduction from retained earnings
(2) Class of shares to be cancelled:	Common stock of the Company
(3) No. of shares to be cancelled:	1,423,800 (Proportion of total No. of shares issued before cancellation: 0.69%)
(4) Total No. of shares issued after cancellation:	205,281,200
(5) Total No. of treasury shares after cancellation:	682,587 (Proportion of total No. of shares issued after cancellation: 0.33%)
(6) Cancellation date:	October 29, 2021