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Securities Code: 2371

June 6, 2016

To Our Shareholders:

Minoru Tanaka
Representative Director, President
Kakaku.com, Inc.
3-5-7 Ebisu-Minami, Shibuya-ku, Tokyo

Notice of the 19th Annual General Meeting of Shareholders

You are cordially invited to attend the 19th 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 22, 2016 (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 47 and access the voting website designated by the Company (<http://www.web54.net>), and exercise your voting rights no later than the above date and time.

- 1. Date and Time:** Thursday, June 23, 2016, at 10:00 a.m.
- 2. Venue:** “HOHRAI,” 2nd floor, Meiji Kinenkan
2-2-23 Moto-Akasaka, Minato-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 19th fiscal year (from April 1, 2015 to March 31, 2016), 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 19th fiscal year (from April 1, 2015 to March 31, 2016)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Eleven (11) Directors
- Proposal No. 3:** Determination of Compensation, etc. for Directors Related to Compensatory Stock Options

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

(Attached materials)

Business Report

(From April 1, 2015 to March 31, 2016)

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, “We continue to create valuable user-oriented services.” Beginning with the price comparison site “Kakaku.com” which has been providing services since the Company was established, we now provide over 15 services, including the restaurant ranking and review site “tabelog.” Each individual business has been endeavoring to achieve sustained growth driving the performance of the Group as a whole.

During the fiscal year ended March 31, 2016, amid a sustained moderate recovery for the Japanese economy backed by the government’s economic measures, the outlook for the future continued to be uncertain, including such factors as the decline in the price of crude oil and fluctuating stock prices due to fears of global economic slowdown. On the other hand, the size of the business-to-consumer electronic commerce (B to C EC) market, which relates to the Company’s business, grew robustly up 14.6% year on year to ¥12.8 trillion in fiscal 2014*¹. Moreover, as EC accounts for 4.4% of the Japanese retail market as a whole, which is low by global standards, medium-term growth is also expected in the future.

In this environment, in terms of strategies during the fiscal year under review, for “Kakaku.com,” the Company launched an electricity rate plan comparison service in January 2016 in response to the full liberalization of electricity retail. Amid diversification in the methods of selling electricity to households, we updated the price simulation function in March 2016 with the aim of improving usability. For “tabelog,” the Company put its efforts into adding functions and enhancing usability for the tabelog app amid the increasing number of smartphone users. We also made efforts to popularize online reservations for restaurants, which included the launch of “Yoyaku Note,” a reservation management app for restaurants. Furthermore, for “4travel” in New Media, we began “Business Promotion,” a fee paying promotion tool for accommodation facilities, and worked to boost the number of facilities linked to the Dynamic Package reservation system at “Time Design.”

Use of the Company's main sites

Website name		(Ten thousand users)	
		Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Price comparison site, Kakaku.com	Number of users	5,053	5,027
	PC	2,842	2,460
	Smartphone	2,171	2,542
Restaurant ranking and review site, tabelog	Number of users	6,859	7,470
	PC	2,585	2,270
	Smartphone	4,184	5,142
Travel review and comparison site, 4travel	Number of users	865	829
	PC	387	324
	Smartphone	471	505
Movie discovery platform, eiga.com	Number of users	1,012	1,070
	PC	317	291
	Smartphone	676	766
Online residential real estate portal, Sumaity	Number of users	162	191
	PC	92	79
	Smartphone	69	112
Content curation site for women specializing in lifestyle contents, Kinarino	Number of users	372	650
	PC	78	149
	Smartphone	294	502

As a result, during the fiscal year under review, the Group recorded net sales of ¥41,275 million (up 15.3% year on year), operating income of ¥19,534 million (up 16.2% year on year), recurring profit of ¥19,580 million (up 14.1% year on year), and profit attributable to shareholders of parent of ¥13,100 million (up 20.3% year on year).

It should be noted that the reason for the smaller rate of increase in recurring profit than in operating income is due to gain on sale of investment securities recorded in the previous fiscal year.

* Source: Ministry of Economy, Trade and Industry, "Fiscal 2014 Report on Infrastructure Development in Japan's Information-Based Economy Society (E-Commerce Market Survey)" (announced on May 29, 2015)

Results by segment are as follows.

1) Internet Media Segment

During the fiscal year under review, the Internet Media Segment recorded net sales of ¥40,250 million (up 15.4% year on year), and operating income of ¥19,251 million (up 16.2% year on year).

[Shopping business]

In the shopping business at "Kakaku.com," while sales of PCs and cameras were sluggish due to the trend of decline in large-scale hit products, commission revenues from participating enterprises rose year on year due to efforts to strengthen content in consumer goods such as fashion and interior products.

As a result, during the fiscal year under review, the business recorded net sales of ¥9,298 million (up 4.4% year on year).

[Service business]

In the service business at "Kakaku.com," while the broadband services continued to be sluggish due to maturity of the broadband market, credit card comparison and loan comparison services remained buoyant, and commission revenues increased.

As a result, during the fiscal year under review, the business recorded net sales of ¥7,220 million (up 4.0% year on year).

[Advertising business]

In the advertising business at “Kakaku.com,” in addition to receiving advertising orders from the traditional digital and consumer electronics manufacturers, advertising orders related to automobiles and finance remained robust, and revenues increased year on year.

As a result, during the fiscal year under review, the business recorded net sales of ¥4,450 million (up 7.4% year on year).

[Tabelog business]

In the tabelog business, as the number of restaurants using paid services of “tabelog” and the number of members of paid services for individual members increased, fee revenues rose. In addition, advertising revenues remained robust.

As a result, during the fiscal year under review, the business recorded net sales of ¥15,782 million (up 26.5% year on year).

[New Media Business]

In the New Media business, commission revenues increased due to an increase in the number of bookings for accommodation facilities at consolidated subsidiary Time Design Co., Ltd. as well as efforts to strengthen content at online residential real estate portal “Sumaity.”

As a result, during the fiscal year under review, the business recorded net sales of ¥3,498 million (up 45.2% year on year).

2) Finance Segment

In the Finance Segment in the fiscal year under review, the number of policies for fire insurance in the insurance agency business operated by consolidated subsidiary Kakaku.com Insurance, Inc. went up due to demand ahead of price revisions in October 2015, so insurance agency commission revenues increased.

As a result, during the fiscal year under review, the Finance Segment recorded net sales of ¥1,026 million (up 12.9% year on year), and operating income of ¥278 million (up 15.9% year on year).

(2) Capital expenditures

Capital expenditures in the fiscal year under review stood at ¥1,448 million, and the principal components were expenditures on system-related servers and software.

(3) Fund procurement

On May 29, 2015, the Company disposed of treasury stock by a third-party allotment shares to ZENRIN Co., Ltd., which collects, produces and sells mapping information, procuring ¥299 million in funds. It should be noted that the Company acquired shares in ZENRIN Co., Ltd. as described in (7) below and agreed to enter into a business alliance with that company.

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

No items to report.

(5) Business transfers from other companies

No items to report.

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

No items to report.

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

On May 29, 2015 the Company acquired shares in ZENRIN Co., Ltd. (0.48% of total number of shares issued), which collects, produces and sells mapping information, and agreed to enter into a business alliance with that company.

- (8) Issues to be addressed

The major business issues facing the Group are outlined as follows.

- 1) Developing new businesses

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

- 2) Boosting organizational capabilities to support expansion in the scale of business and reinforcing the internal control system

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.

- 3) System security, development, and maintenance and management structure

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 are required to further promote enhancement of these structures. It is the Company's policy to continuously maintain security adapted to changes in the market environment and to establish system development and system maintenance and management structures.

- (9) Status of assets and profit and loss

Category	16th fiscal year (Fiscal year ended March 31, 2013)	17th fiscal year (Fiscal year ended March 31, 2014)	18th fiscal year (Fiscal year ended March 31, 2015)	19th fiscal year (Fiscal year under review) (Fiscal year ended March 31, 2016)
Net sales (Thousands of yen)	23,276,846	29,814,010	35,787,083	41,275,187
Recurring profit (Thousands of yen)	11,611,977	14,774,198	17,167,742	19,580,569
Profit attributable to shareholders of parent (Thousands of yen)	7,090,322	9,066,075	10,890,240	13,100,008
Earnings per share (Yen)	31.13	40.46	49.19	59.59
Total assets (Thousands of yen)	25,064,306	32,670,334	33,412,598	38,903,992
Net assets (Thousands of yen)	19,078,672	26,429,831	26,630,999	32,111,016
Net assets per share (Yen)	84.19	115.89	119.06	145.23

(10) Important parent company and subsidiaries

1) Important parent company

No items to report.

2) Important subsidiaries

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

(11) Summary of major businesses (As of March 31, 2016)

1) Internet Media Segment

This segment plans and operates the price comparison site “Kakaku.com,” restaurant ranking and review site “tabelog,” online residential real estate information portal “Sumait,” hotel deals and last minute discounts “yoyaQ.com,” content curation site for women specializing in lifestyle contents “Kinarino,” travel review and comparison site “4travel,” movie discovery platform “eiga.com,” and the online automobile magazine “webCG,” in addition to developing and providing the Dynamic Package system.

2) Finance Segment

This segment operates the insurance agency business.

(12) Principal Offices (As of March 31, 2016)

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

(13) Major lenders (As of March 31, 2016)

No items to report.

(14) Employees (As of March 31, 2016)

1) Employees of the Group

Business segment	Number of employees	Change from the previous fiscal year-end
Internet Media Segment	650 (109)	Increase of 44 (increase of 12)
Finance Segment	58 (2)	Increase of 4 (increase of 2)
Total	708 (111)	Increase of 48 (increase of 14)

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
586 (81)	Increase of 37 (increase of 7)	34.3 years old	4.3 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, 2016)

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

(2) Total number of shares issued: 219,560,100 shares

Note: The total number of shares issued decreased by 2,213,600 shares due to the retirement of treasury stock conducted on February 29, 2016.

(3) Number of shareholders: 13,448 (increased by 307 from the previous fiscal year-end)

(4) Major shareholders (top 10 shareholders):

Name of shareholder	Number of shares held	Ratio of shareholding
Digital Garage, Inc.	44,688,000 shares	20.45%
DENTSU INC.	35,016,000 shares	16.02%
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,801,100 shares	4.94%
Japan Trustee Services Bank, Ltd. (Trust Account)	10,682,200 shares	4.89%
STATE STREET BANK AND TRUST COMPANY	10,057,301 shares	4.60%
JPMorgan Chase Bank 380055	5,623,709 shares	2.57%
BBH for Matthews Japan Fund	2,792,700 shares	1.28%
STATE STREET BANK WEST CLIENT – TREATY 505234	2,262,100 shares	1.04%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,064,800 shares	0.94%
Japan Trustee Services Bank, Ltd. (Trust Account 7)	2,011,000 shares	0.92%

Note: Calculations of ratio of shareholding exclude treasury stock (1,019,125 shares).

3. Subscription rights to shares of the Company

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

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

- Amount of payments for subscription rights to shares

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

- Amount of contributions upon exercise of subscription rights to shares

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

- Period during which subscription rights to shares can be exercised

From May 3, 2015 to May 2, 2018

- Ownership by officers of the Company

	Number of subscription rights to shares	Number of shares to be issued upon exercise of subscription rights to shares	Number of holders
Directors of the Company (excluding external Directors)	464	185,600 shares	8

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

- (2) Subscription rights to shares 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, 2016)

Position	Name	Responsibility at the Company and significant concurrent positions outside the Company
Chairman of the Board	Kaoru Hayashi	President and Group CEO, Digital Garage, Inc.
Representative Director, President	Minoru Tanaka	
Director	Shonosuke Hata	
Director	Taizo Ieuji	Representative Director and President, Kakaku.com Insurance, Inc.
Director	Kenji Fujiwara	External Board Director, Digital Garage, Inc. External Director, Sundrug Co., Ltd.
Director	Hajime Uemura	
Director	Shingo Yuki	
Director	Atsuhiko Murakami	External Director, Bengo4.com, Inc.
Director	Oki Matsumoto	Managing Director & Chairman, Representative Executive Officer, President, Monex Group, Inc. Representative Director, Chairman and CEO, Monex, Inc. External Director, JIN CO., LTD.
Director	Yoshiharu Hayakawa	Certified Public Accountant Representative, Kasumi Research Empowerment Institute External Director, DAI-ICHI HOKI CO., LTD. External Director, Ryoyo Electro Corporation External Director, Sanrio Company, Ltd.
Director	Nobuyuki Toya	Executive Officer, DENTSU INC.
Full-time Audit & Supervisory Board Member	Hiroshi Maeno	
Audit & Supervisory Board Member	Toshio Takano	Attorney-at-law External Director, Mori Building Investment Management Co., Ltd. External Auditor, Revamp Corporation External Audit & Supervisory Board Member, NAGASE & CO., LTD. External Auditor, GLOBERIDE, Inc. External Corporate Auditor, Daicel Corporation External Audit & Supervisory Board Member, FANCL CORPORATION
Audit & Supervisory Board Member	Erica Okada	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University

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

2. Audit & Supervisory Board Members Toshio Takano and Erica Okada are external Audit & Supervisory Board Members.
3. The Company has submitted notification to the Tokyo Stock Exchange that Directors Oki Matsumoto and Yoshiharu Hayakawa, and Audit & Supervisory Board Members Toshio Takano and Erica Okada have been designated as independent officers as provided for by the aforementioned exchange.
4. Change of Audit & Supervisory Board Members during the fiscal year under review is as follows.
 - (1) Mr. Shinichi Sejimo retired from office as Audit & Supervisory Board Member due to his resignation at the conclusion of the 18th Annual General Meeting of Shareholders held on June 24, 2015.
 - (2) Ms. Erica Okada was elected and took office as a new Audit & Supervisory Board Member at the 18th Annual General Meeting of Shareholders held on June 24, 2015.
5. In addition to having obtained an MBA from the Tuck School of Business, Dartmouth College and a doctorate from The Wharton School, The University of Pennsylvania, Audit & Supervisory Board Member Erica Okada has practical experience at financial institutions, a qualification of the Chartered Financial Analyst, and a considerable degree of knowledge on finance and accounting.

(2) Outline of limited liability agreements

The Company amended the Articles of Incorporation at the 18th Annual General Meeting of Shareholders held on June 24, 2015 to establish provisions concerning limited liability agreements with Directors without executive authority over operations and Audit & Supervisory Board Members.

The Company has entered into an agreement with each of the external Directors and external Audit & Supervisory Board Members to limit his/her liability under Article 423, paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

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

Directors ¥239 million for 9 Directors
(including ¥18 million for 2 external Directors)

Audit & Supervisory Board Members ¥38 million for 4 Audit & Supervisory Board Members
(including ¥15 million for 3 external Audit & Supervisory Board Members)

Notes: 1. The amount of remuneration for Audit & Supervisory Board Members includes the amount of remuneration during the tenure of one Audit & Supervisory Board Member who retired from office at the conclusion of the 18th Annual General Meeting of Shareholders held on June 24, 2015.

2. Two Directors (includes one external Director) and one external Director who retired from office at the conclusion of the 18th Annual General Meeting of Shareholders held on June 24, 2015 are without remuneration.

(4) External Officers (As of March 31, 2016)

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

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

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

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

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

Director Oki Matsumoto is an External Director of JIN CO., LTD. There is no special interest between the said company and the Company.

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

Audit & Supervisory Board Member Toshio Takano is an External Director of Mori Building Investment Management Co., Ltd. and External Auditor of Revamp Corporation, External Audit & Supervisory Board Member of NAGASE & CO., LTD., External Auditor of GLOBERIDE, Inc., 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.

3) Major activities in the fiscal year under review

Director Oki Matsumoto attended 16 of the 17 meetings of the Board of Directors held during the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on his extensive knowledge in finance and experience as a manager.

Director Yoshiharu Hayakawa attended 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 from the professional standpoint as a certified public accountant.

Director Nobuyuki Toya attended 12 of the 13 meetings of the Board of Directors held since assuming his post on June 24, 2015. 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 insight in the advertising business.

Audit & Supervisory Board Member Toshio Takano attended all 17 meetings of the Board of Directors and all 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 mainly from the professional standpoint as an attorney-at-law. Also, he properly offers necessary views about internal control and internal audit of the Company at the meetings of the Audit & Supervisory Board.

Audit & Supervisory Board Member Erica Okada attended all 13 meetings of the Board of Directors and all 5 meetings of the Audit & Supervisory Board held since assuming her post on June 24, 2015. She makes statements at the Board of Directors to ensure the appropriateness and validity of decision-making of the Board of Directors based on her wide-ranging insight as a university professor and her extensive experience cultivated through investment banking and finance at banks and corporations. Also, she properly offers necessary views about internal control and internal audit of the Company at the meetings of the Audit & Supervisory Board.

5. Financial Auditor

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

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

1) Amount of compensations, etc. paid for services rendered as Financial Auditor during the fiscal year under review ¥29 million

2) Total money and other economic benefits to be paid to the Financial Auditor by the Company and its subsidiaries ¥31 million

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

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

(3) Details of non-auditing services

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

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

When any of the matters prescribed in the items in Article 340, paragraph 1 of the Companies Act are applicable to the Financial Auditor, the Audit & Supervisory Board will dismiss the Financial Auditor. 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

The meeting of the Company's Board of Directors held on May 13, 2015 resolved to partially revise the Basic Policy on the Development of the System for Ensuring Properness of Operations (the Basic Policy on Creation of the Internal Control System).

The content of the basic policy after revision is as follows.

- 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 Representative Director and President 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 Representative Director, President, and full-time auditing staff shall be assigned as necessary in order to assist with the Audit & Supervisory Board Members' duties. The Representative Director, President 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 President and each of the Audit & Supervisory Board Members.

In order to ensure enhancements in the quality of internal audits and the effectiveness of auditing, a specialized agency conducted an external evaluation and reported the results to the Board of Directors.

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.

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, and the Financial Auditor. In addition, the Audit & Supervisory Board Members requested explanations from the officers and employees of the Company and Group companies as necessary and worked to enhance the effectiveness of auditing.

Consolidated balance sheet

(As of March 31, 2016)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	34,673,685	Current liabilities	6,623,176
Cash and time deposits	28,319,130	Accounts payable - trade	187,916
Notes and accounts receivables	5,764,560	Accounts payable - other	1,117,414
Deferred tax assets	367,144	Income taxes payable	3,780,017
Other current assets	226,052	Accrued consumption taxes	535,761
Allowance for doubtful accounts	(3,202)	Provision for bonuses	384,694
Fixed assets	4,230,306	Others	617,371
Tangible fixed assets	855,950	Non-current liabilities	169,799
Buildings	243,604	Asset retirement obligations	119,739
Furniture and fixtures	543,472	Others	50,060
Others	68,873	Total liabilities	6,792,975
Intangible fixed assets	1,978,702	Net assets	
Goodwill	215,267	Shareholders' equity	31,645,208
Software	1,651,728	Common stock	915,984
Others	111,706	Capital surplus	819,037
Investments and other assets	1,395,654	Retained earnings	31,894,297
Investments in securities	675,582	Treasury stock	(1,984,111)
Guarantee deposits	605,172	Accumulated other comprehensive income	93,938
Deferred tax assets	50,458	Valuation difference on available-for-sale securities	78,810
Others	68,946	Foreign currency translation adjustment	15,127
Allowance for doubtful accounts	(4,505)	Subscription rights to shares	188,426
		Non-controlling interests	183,442
		Total net assets	32,111,016
Total assets	38,903,992	Total liabilities and net assets	38,903,992

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

Consolidated statement of income

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

Item	Amount	
Net sales		41,275,187
Cost of sales		3,876,306
Gross profit		37,398,880
Selling, general and administrative expenses		17,863,923
Operating income		19,534,956
Non-operating income		77,232
Interest income	16,530	
Dividends received	41,416	
Others	19,285	
Non-operating expense		31,619
Commission for purchase of treasury stock	27,356	
Others	4,262	
Recurring profit		19,580,569
Extraordinary loss		12,340
Loss on transfer of business	12,340	
Profit before income taxes		19,568,229
Corporate tax, local tax and business tax	6,484,928	
Income taxes deferred	(37,880)	6,447,047
Profit		13,121,181
Profit attributable to non-controlling interests		21,173
Profit attributable to shareholders of parent		13,100,008

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

Consolidated statement of changes in equity

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2015	915,984	819,037	26,701,380	(2,249,264)	26,187,137
Changes of items during period					
Dividends of surplus			(3,521,807)		(3,521,807)
Profit attributable to shareholders of parent			13,100,008		13,100,008
Purchase of treasury stock				(4,999,812)	(4,999,812)
Retirement of treasury stock			(4,309,879)	4,309,879	—
Disposal of treasury stock		(75,404)		955,087	879,683
Transfer of loss on disposal of treasury stock		75,404	(75,404)		—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,192,917	265,153	5,458,071
Balance as of March 31, 2016	915,984	819,037	31,894,297	(1,984,111)	31,645,208

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

(Thousands of yen)

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance as of April 1, 2015	168	18,851	19,019	262,572	162,269	26,630,999
Changes of items during period						
Dividends of surplus						(3,521,807)
Profit attributable to shareholders of parent						13,100,008
Purchase of treasury stock						(4,999,812)
Retirement of treasury stock						—
Disposal of treasury stock				(110,164)		769,518
Transfer of loss on disposal of treasury stock						—
Net changes of items other than shareholders' equity	78,642	(3,723)	74,919	36,019	21,173	132,111
Total changes of items during period	78,642	(3,723)	74,919	(74,145)	21,173	5,480,017
Balance as of March 31, 2016	78,810	15,127	93,938	188,426	183,442	32,111,016

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

Notes to Consolidated Financial Statements

Important Matters Forming the Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 7

Names of consolidated subsidiaries:

forTravel, Inc.
Kakaku.com Insurance, Inc.
Kakaku.com Financial, Inc.
eiga.com, Inc.
Time Design Co., Ltd.
Tabelog, Inc.
webCG, Inc.

(2) Names, etc. of non-consolidated subsidiaries

Name of non-consolidated subsidiary

Kakaku.com Logistics, Inc.

Reason for exclusion from scope of consolidation

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

2. Application of the equity method

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

No items to report.

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

Name of non-consolidated subsidiary not accounted for by equity method

Kakaku.com Logistics, Inc.

Reason for excluding from scope of equity method

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

3. Fiscal year-end of consolidated subsidiaries

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

4. Accounting policies

(1) Valuation bases and methods of significant assets

Securities

Other securities

Securities with

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

Securities without

determinable market value Stated at cost determined by the moving-average method

(2) Depreciation method of significant depreciable assets

Tangible fixed assets Depreciated by the declining balance method.

Buildings (excluding accompanying facilities) are depreciated by the straight-line method.

The estimated useful lives of major items are as follows.

Buildings 8 to 15 years

Furniture and fixtures 4 to 5 years

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

(3) Accounting policy for significant provisions

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

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

(4) Recognition of income and expenses

Recognition of recording advertising sales

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

(5) Method and period of amortization of goodwill

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

(6) Accounting policy for consumption taxes

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

(Changes in Method of Presentation)

(Changes accompanying application of Accounting Standard for Business Combinations, etc.)

The Company has applied provisions of Paragraph 39 of the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), etc., and has accordingly made changes in the presentation of net income, etc. and has also made changes in presentation from minority interests to non-controlling interests.

Notes to Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets ¥1,343,410 thousand
2. The Group obtains overdraft facilities from two banks in order to efficiently manage operating fund. As of the end of the fiscal year under review, total unused facilities are as follows.

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

Notes to Consolidated Statement of Changes in Equity

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

(Shares)				
Class	As of April 1, 2015	Increase	Decrease	As of March 31, 2016
Shares issued				
Common stock (Note 1)	221,773,700	—	2,213,600	219,560,100
Total	221,773,700	—	2,213,600	219,560,100
Treasury stock				
Common stock (Notes 2, 3)	1,660,725	2,213,600	2,855,200	1,019,125
Total	1,660,725	2,213,600	2,855,200	1,019,125

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

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

3. The decrease of common stock in treasury stock resulted from a decrease of 2,213,600 shares through retirement of treasury stock, a decrease of 487,400 shares due to exercise of stock options and a decrease of 154,200 shares due to disposal of treasury stock through a third-party allocation.

2. Dividends of surplus

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 24, 2015	Common stock	3,521,807	16	March 31, 2015	June 25, 2015

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

Resolution	Class of shares	Source of dividend	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 23, 2016 (scheduled to be resolved)	Common stock	Retained earnings	4,589,360	21	March 31, 2016	June 24, 2016

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

Common stock 637,000 shares

Notes to Financial Instruments

1. Status of financial instruments

(1) Policy on financial instruments

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

(2) Details of financial instruments and associated risks

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

(3) Management system for risks associated with financial instruments

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

For operating receivables, the Company has administration division to periodically monitor the status of major business partners and manage due dates and balances for each business partner in accordance with Claim Management Guidelines, while striving to quickly notice and mitigate any concerns on the collection of claims that might be caused by a business partner's deteriorated financial conditions, etc. The Company also carries out similar credit management for consolidated subsidiaries in accordance with the Claim Management Guidelines of the Company.

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

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

2. Fair values of financial instruments

Carrying amounts, fair values and the differences between carrying amounts and fair values as of March 31, 2016 were as follows.

	Carrying amount (Thousands of yen)	Fair value (Thousands of yen)	Difference (Thousands of yen)
(1) Cash and time deposits	28,319,130	28,319,130	—
(2) Notes and accounts receivables	5,764,560	5,764,560	—
Total assets	34,083,690	34,083,690	—
(1) Income taxes payable	3,780,017	3,780,017	—
Total liabilities	3,780,017	3,780,017	—

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

Assets

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

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

Liabilities

(1) Income taxes payable

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

2. Redemption schedule for monetary claims after balance sheet date

	Within one year (Thousands of yen)	Over one year up to five years (Thousands of yen)	Over five years up to ten years (Thousands of yen)	Over ten years (Thousands of yen)
Cash and time deposits	28,319,130	—	—	—
Notes and accounts receivables	5,764,560	—	—	—
Total	34,083,690	—	—	—

Per Share Information

- | | |
|-------------------------|---------|
| 1. Net assets per share | ¥145.23 |
| 2. Earnings per share | ¥59.59 |

Significant Subsequent Events

No items to report.

Non-consolidated balance sheet

(As of March 31, 2016)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	33,107,424	Current liabilities	6,058,800
Cash and time deposits	27,053,008	Accounts payable - trade	110,977
Accounts receivable - trade	5,502,600	Accounts payable - other	1,037,927
Accounts receivable - other	841	Accrued expenses	52,006
Prepaid expenses	163,389	Income taxes payable	3,711,902
Deferred tax assets	352,381	Accrued consumption taxes	501,703
Other current assets	38,405	Advances received	208,663
Allowance for doubtful accounts	(3,202)	Deposits received	58,028
Fixed assets	6,022,869	Provision for bonuses	355,613
Tangible fixed assets	801,545	Others	21,978
Buildings	224,091	Non-current liabilities	213,036
Furniture and fixtures	514,733	Long-term guarantee deposited	99,443
Construction in progress	54,096	Asset retirement obligations	113,593
Others	8,625	Total liabilities	6,271,837
Intangible fixed assets	1,465,814	Net assets	
Software	1,399,240	Shareholders' equity	32,591,218
Software in progress	66,497	Common stock	915,984
Others	76	Capital surplus	1,087,703
Investments and other assets	3,755,508	Legal capital surplus	1,087,703
Investments in securities	665,582	Retained earnings	32,571,640
Shares of subsidiaries and associates	2,274,352	Other retained earnings	32,571,640
Long-term prepaid expenses	64,426	Retained earnings brought forward	32,571,640
Deferred tax assets	171,857	Treasury stock	(1,984,111)
Guarantee deposits	579,290	Valuation and translation adjustments	78,810
Claims provable in bankruptcy, claims provable in rehabilitation and other	4,505	Valuation difference on available-for-sale securities	78,810
Allowance for doubtful accounts	(4,505)	Subscription rights to shares	188,426
Total assets	39,130,293	Total net assets	32,858,455
		Total liabilities and net assets	39,130,293

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

Non-consolidated statement of income

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

Item	Amount	
Net sales		37,911,125
Cost of sales		2,535,230
Gross profit		35,375,895
Selling, general and administrative expenses		15,967,196
Operating income		19,408,698
Non-operating income		187,491
Interest and dividend income	163,011	
Fiduciary obligation fee	17,245	
Others	7,234	
Non-operating expense		29,034
Commission for purchase of treasury stock	27,356	
Others	1,677	
Recurring profit		19,567,156
Extraordinary loss		12,340
Loss on transfer of business	12,340	
Profit before income taxes		19,554,815
Corporate tax, local tax and business tax	6,392,247	
Income taxes deferred	(20,023)	6,372,224
Profit		13,182,591

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

Non-consolidated statement of changes in equity

(From April 1, 2015 to March 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2015	915,984	1,087,703	1,087,703	27,296,140	27,296,140
Changes of items during period					
Dividends of surplus				(3,521,807)	(3,521,807)
Profit				13,182,591	13,182,591
Purchase of treasury stock					
Retirement of treasury stock				(4,309,879)	(4,309,879)
Disposal of treasury stock		(75,404)	(75,404)		
Transfer of loss on disposal of treasury stock		75,404	75,404	(75,404)	(75,404)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	—	5,275,500	5,275,500
Balance as of March 31, 2016	915,984	1,087,703	1,087,703	32,571,640	32,571,640

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

(Thousands of yen)

			Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2015	(2,249,264)	27,050,564	168	168	262,572	27,313,304
Changes of items during period						
Dividends of surplus		(3,521,807)				(3,521,807)
Profit		13,182,591				13,182,591
Purchase of treasury stock	(4,999,812)	(4,999,812)				(4,999,812)
Retirement of treasury stock	4,309,879	—				—
Disposal of treasury stock	955,087	879,683			(110,164)	769,518
Transfer of loss on disposal of treasury stock		—				—
Net changes of items other than shareholders' equity			78,642	78,642	36,019	114,661
Total changes of items during period	265,153	5,540,654	78,642	78,642	(74,145)	5,545,151
Balance as of March 31, 2016	(1,984,111)	32,591,218	78,810	78,810	188,426	32,858,455

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

Notes to Non-consolidated Financial Statements

Notes on Important Accounting Policies

1. Valuation bases and methods of assets

Securities

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

Other securities

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

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

2. Depreciation method of fixed assets

Tangible fixed assets Depreciated by the declining balance method.

Buildings (excluding accompanying facilities) are
depreciated by the straight-line method.

The estimated useful lives of major items are as follows.

Buildings 8 to 15 years

Furniture and fixtures 4 to 5 years

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

3. Accounting policy for provisions

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

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

4. Recognition of income and expenses

Recognition of recording advertising sales

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

5. Accounting policy for consumption taxes

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

Notes to Non-consolidated Balance Sheet

1. Monetary receivables from and payables to subsidiaries and associates

Short-term monetary receivables	¥133,560 thousand
Short-term monetary payables	¥182,843 thousand
Long-term monetary payables	¥49,383 thousand

2. Accumulated depreciation of tangible fixed assets ¥1,255,742 thousand

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

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

Notes to Non-consolidated Statement of Income

Transactions with subsidiaries and associates

Operational transactions	¥2,575,399 thousand
Other transactions	¥158,245 thousand

Notes to Non-consolidated Statement of Changes in Equity

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

Common stock	1,019,125 shares
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Tax Effect Accounting

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

Deferred tax assets (current)	
Enterprise tax payable	¥221,236 thousand
Provision for bonuses	¥109,742 thousand
Others	¥21,402 thousand
Subtotal	¥352,381 thousand
Net deferred tax assets (current)	¥352,381 thousand
Deferred tax assets (fixed)	
Lump-sum depreciable assets	¥6,346 thousand
Software	¥117,578 thousand
Asset retirement obligations	¥34,782 thousand
Others	¥67,595 thousand
Subtotal	¥226,303 thousand
Deferred tax liabilities (fixed)	
Retirement costs corresponding to asset retirement obligations	¥19,664 thousand
Valuation difference on investment securities	¥34,782 thousand
Subtotal	¥54,446 thousand
Net deferred tax assets (fixed)	¥171,857 thousand

Transactions with Related Parties

1. Parent company and major corporate shareholders

There was no significant item.

2. Officers and major individual shareholders

(Thousands of yen)

Attribute	Name of Corporation, etc.	Percentage of Voting Rights	Relations	Content of Transaction	Transaction Amount	Account Item	Balance at Term End
Officer	Kaoru Hayashi	Direct Ownership 0.06%	Chairman of the Board	Exercise of stock options	11,812	—	—
Officer	Minoru Tanaka	Direct Ownership 0.58%	Representative Director, President	Exercise of stock options	11,812	—	—
Officer	Shonosuke Hata	Direct Ownership 0.01%	Director	Exercise of stock options	11,812	—	—
Officer	Taizo Ieuji	Direct Ownership 0.02%	Director	Exercise of stock options	23,625	—	—
Officer	Kenji Fujiwara	Direct Ownership 0.02%	Director	Exercise of stock options	11,812	—	—
Officer	Hajime Uemura	Direct Ownership 0.01%	Director	Exercise of stock options	11,812	—	—
Officer	Shingo Yuki	Direct Ownership 0.01%	Director	Exercise of stock options	23,625	—	—
Officer	Atsuhiro Murakami	Direct Ownership 0.00%	Director	Exercise of stock options	11,812	—	—

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

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

3. Subsidiaries, etc.

There was no significant item.

4. Sister companies, etc.

There was no significant item.

Per Share Information

1. Net assets per share ¥149.49
2. Earnings per share ¥59.97

Significant Subsequent Events

No items to report.

INDEPENDENT AUDITOR'S REPORT

May 18, 2016

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

Deloitte Touche Tohmatsu LLC

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

Masaya Ueda
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet, the consolidated statement of income, consolidated statement of changes in equity and Notes to Consolidated Financial Statements of Kakaku.com, Inc. (the "Company") for the fiscal year from April 1, 2015 to March 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2016, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

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

INDEPENDENT AUDITOR'S REPORT

May 18, 2016

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

Deloitte Touche Tohmatsu LLC

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

Masaya Ueda
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

Pursuant to the item 1, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, Notes to Non-consolidated Financial Statements and supplementary schedules of Kakaku.com, Inc. (the "Company") for the 19th fiscal year from April 1, 2015 to March 31, 2016.

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, 2016, 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 19th fiscal year (from April 1, 2015 to March 31, 2016), the Audit & Supervisory Board has prepared this audit report, as a unanimous opinion of all members of the Audit & Supervisory Board, based on the reports on methods and results of audits prepared by each Audit & Supervisory Board Member, and hereby reports as follows:

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

- (1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc., and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the financial auditor regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Member auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate mutual understanding with the Directors, the Internal Audit Department and other employees, etc., and endeavored to collect information and maintain and improve the audit environment. Each Audit & Supervisory Board Member executed their audits using the methods described below:
 - I. Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and employees, etc. and requested explanations as necessary, inspected important approval/decision documents, and investigated the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate mutual understanding and information exchange with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective businesses as necessary.
 - II. Each Audit & Supervisory Board Member received reports on a regular basis from the Directors and employees, etc., requested explanations as necessary, and provided opinions with respect to matters mentioned in the business report. Such matters consist of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties complied with applicable laws and regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a stock company and the corporate group consisting of its subsidiaries, and the systems developed and maintained based on such resolutions (internal control systems).
 - III. Each Audit & Supervisory Board Member monitored and verified whether the financial auditor maintained its independence and properly conducted its audit, received a report from the financial auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the financial auditor that it had established a "system to ensure that the performance of the duties of the financial auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

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

consolidated statement of changes in equity, and notes to consolidated financial statements), for the fiscal year under consideration.

2. Results of audit

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

- I. We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- II. We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- III. We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and Directors' performance of their duties concerning the internal control systems.

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

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

(3) Results of audit of consolidated financial statements

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

May 18, 2016

Audit & Supervisory Board, Kakaku.com, Inc.

Full-time Audit & Supervisory Board Member Hiroshi Maeno (seal)

External Audit & Supervisory Board Member Toshio Takano (seal)

External Audit & Supervisory Board Member Erica Okada (seal)

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company has given consideration to the business performance of the current fiscal year and future business development, and it proposes to pay year-end dividends for the 19th 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 ¥21 per common share of the Company.

In this event, the total dividends will be ¥4,589,360,475.

3. Effective date of dividends of surplus

Friday, June 24, 2016

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

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

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)		Number of shares held in the Company
1	Kaoru Hayashi (December 26, 1959) [Reelection] Attendance at the meetings of the Board of Directors: 17/17	Aug. 1995	Started Digital Garage, Inc. Representative Director	129,200 shares
		Jul. 2002	Representative Chairman, the Company	
		Jun. 2003	Chairman of the Board, the Company (present post)	
		Nov. 2004	President and Group CEO, Digital Garage, Inc. (present post)	
		Aug. 2006	Representative Director and President, CGM Marketing, Inc. (currently BI.Garage, Inc.) (present post)	
		Jun. 2009	Representative Director and Chairman, DG Incubation, Inc. (present post)	
		Jun. 2012	Director, Monex Group, Inc. (present post)	
		Sep. 2012	Director and Chairman, econtext Asia Limited (present post)	
		Apr. 2013	Representative Director and Chairman, Open Network Lab, Inc. (present post)	
		[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.		
2	Minoru Tanaka (May 6, 1962) [Reelection] Attendance at the meetings of the Board of Directors: 17/17	Apr. 1986	Joined The Mitsubishi Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1,268,100 shares
		Sep. 2001	Joined Digital Garage, Inc.	
		Jul. 2002	Director, the Company	
		Apr. 2003	Director and CFO, the Company	
		Jul. 2005	Director, Vice President, the Company	
		Jun. 2006	Representative Director and President, the Company (present post)	
		Apr. 2007	Director, eiga.com, Inc. (present post)	
		Feb. 2015	Director, webCG, Inc. (present post)	
		Responsible for Global Strategy, IR and Risk Management		
		[Reason for the nomination of the candidate for Director] Mr. Minoru Tanaka made great efforts for the Company’s IPO and has served as Representative Director and President since 2006. In an internet industry that is continuing to evolve rapidly, he has led the advancement of the Company’s business and played a full role in business management and oversight of the execution of operations. 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.		

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)		Number of shares held in the Company
3	Shonosuke Hata (January 10, 1974) [Reelection] Attendance at the meetings of the Board of Directors: 17/17	Apr. 1999	Joined Japan Tobacco Inc.	12,100 shares
		Dec. 2001	Joined the Company	
		Apr. 2003	General Manager of Sales Division, the Company	
		Jul. 2005	Operating Officer, General Manager of Third Business Division, the Company	
		Jun. 2006	Director, Chief Director of Products Division, the Company	
		Apr. 2007	Director, eiga.com, Inc. (present post)	
		Apr. 2009	Director, Chief Director of Sales Division, the Company	
		Apr. 2010	Director, Chief Director of Business Promotion Division, the Company	
		Apr. 2014	Director, General Manager of Business Development, the Company	
		Apr. 2015	Director, the Company (present post)	
[Reason for the nomination of the candidate for Director] Since joining the Company, Mr. Shonosuke Hata has planned and developed a variety of business, including internet advertising, contributing to the advancement of the Company’s business. In addition to strengthening the revenue base in the Sales Division, he has exerted great efforts in a wide range of fields, including optimization of organizational configuration and personnel allocation. 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.				
4	Kenji Fujiwara (September 25, 1946) [Reelection] Attendance at the meetings of the Board of Directors: 16/17	Apr. 1969	Joined Shufu-no-mise Daiei, Inc. (currently The Daiei, Inc.)	46,300 shares
		May 1993	Director, The Daiei, Inc.	
		Jun. 1994	President and Representative Director, Daiei Convenience Systems Co., Ltd. (currently Lawson, Inc.)	
		May 2002	Chairman and Representative Director, Lawson, Inc.	
		Jun. 2003	President and Representative Director, FANCL CORPORATION	
		Mar. 2007	Chairman and Representative Director, FANCL CORPORATION	
		Jul. 2008	Director, SBS Corporation (present post)	
		Sep. 2008	Board Director, Digital Garage, Inc. (present post)	
		Jun. 2009	Director, the Company (present post)	
		Jun. 2015	Director, Sundrug Co., Ltd. (present post)	
[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.				

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)		Number of shares held in the Company
5	Hajime Uemura (February 19, 1973) [Reelection] Attendance at the meetings of the Board of Directors: 17/17	Oct. 1999	Joined KPMG Century Audit (currently KPMG AZSA LLC)	27,200 shares
		Apr. 2003	Registered as Certified Public Accountant	
		Oct. 2004	Joined the Company	
		Jul. 2005	Manager of Planning Office, the Company	
		May 2006	Operating Officer, Manager of Planning Office, the Company	
		Jun. 2008	Senior Executive Officer, General Manager of Business Planning, the Company	
		Jun. 2009	Director, General Manager of Business Planning, the Company	
		Apr. 2014	Director, the Company (present post)	
		Responsible for Administration, Human Resources and Legal Affairs		
		[Reason for the nomination of the candidate for Director] Mr. Hajime Uemura is qualified as a Certified Public Accountant and has supported the advancement of the Group in Planning Office and other indirect departments. He has exerted great efforts to strengthen the financial structure and in IR and M&As, etc. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.		
6	Shingo Yuki (May 13, 1975) [Reelection] Attendance at the meetings of the Board of Directors: 17/17	Apr. 1999	Joined ITOCHU TECHNO-SCIENCE Corporation (currently ITOCHU Techno-Solutions Corporation)	29,500 shares
		Mar. 2004	Joined the Company	
		Jul. 2005	General Manager of First Business Division, the Company	
		May 2006	Operating Officer, General Manager of Brand Marketing Division, the Company	
		Jun. 2008	Senior Executive Officer, General Manager of Shopping Media Department, Products Division, the Company	
		Jun. 2010	Director, General Manager of Shopping Media Department, Kakaku.com Division, the Company	
		Apr. 2013	Director, the Company (present post)	
		Apr. 2014	Director, Kakaku.com Insurance, Inc. (present post)	
		Feb. 2015	Director, webCG, Inc. (present post)	
		Nov. 2015	Representative Director, President, Kakaku.com Logistics, Inc. (present post)	
Responsible for Media Planning, Marketing and Customer Service				
[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.				

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of shares held in the Company
7	Atsuhiko Murakami (January 9, 1975) [Reelection] Attendance at the meetings of the Board of Directors: 17/17	May 1998 Joined Andersen Consulting (currently Accenture Japan Ltd) Oct. 2002 Joined Arrows Consulting Inc. (currently Ernst & Young Advisory Co., Ltd.) Oct. 2004 Joined the Company May 2006 Manager of CGM Promotion Office, Business Development Division, the Company May 2008 Deputy Chief Director of Business Development Division, the Company Apr. 2009 Operating Officer, Chief Director of Tabelog Division, the Company Jun. 2011 Senior Executive Officer, Chief Director of Tabelog Division, the Company Jun. 2012 Director, Chief Director of Tabelog Division, General Manager of New Business Division, the Company Apr. 2013 Director, Manager of New Business Preparation Office, the Company Aug. 2014 Director, Bengo4.com, Inc. (present post) Apr. 2015 Director, the Company (present post) Jun. 2016 Director, forTravel, Inc. (present post) Jun. 2016 Director, Time Design Co., Ltd. (present post) Responsible for Tabelog, Travel, New Business and Group Strategy	1,500 shares
[Reason for the nomination of the candidate for Director] Since the establishment of the Tabelog business, Mr. Atsuhiko 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.			

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)		Number of shares held in the Company
8	Oki Matsumoto (December 19, 1963) [Reelection] [External] Attendance at the meetings of the Board of Directors: 16/17	Apr. 1987	Joined Salomon Brothers Asia, Limited	—
		Apr. 1990	Joined Goldman Sachs Japan Co. Ltd.	
		Nov. 1994	Managing Director, Tokyo Branch, Goldman Sachs Japan Co. Ltd.	
		Nov. 1994	General Partner, The Goldman Sachs Group, L.P.	
		Nov. 1998	Limited Partner, The Goldman Sachs Group, L.P.	
		Apr. 1999	Representative Director, President, and CEO, Monex, Inc. (former Monex Securities, Inc.)	
		Aug. 2004	Representative Director, President and CEO, Monex Beans Holdings, Inc. (currently Monex Group, Inc.)	
		Aug. 2004	Director, Nikko Beans, Inc. (currently Monex, Inc.)	
		May 2005	Representative Director, President and CEO, Monex Beans, Inc. (currently Monex, Inc.)	
		Jun. 2008	Director, Tokyo Stock Exchange, Inc.	
		Jun. 2010	Director, the Company (present post)	
		Feb. 2011	Representative Director, Chairman and CEO, Monex Group, Inc.	
		Jun. 2013	Managing Director & Chairman, Representative Executive Officer, President, Monex Group, Inc. (present post)	
		Nov. 2013	Director, JIN CO., LTD. (present post)	
		Nov. 2015	Representative Director, Chairman and CEO, Monex, Inc. (present post)	
	[Reason for the nomination of the candidate for External Director] Mr. Oki Matsumoto has focused on the creation and establishment of online securities businesses for individuals in Japan and led the development of the industry. Based on his track record as a manager and his broad discernment in the finance and internet businesses, he has provided many suggestions. 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.			
9	Yoshiharu Hayakawa (February 23, 1948) [Reelection] [External] Attendance at the meetings of the Board of Directors: 17/17	Aug. 1973	Registered as Certified Public Accountant	—
		Apr. 1985	Representative Director, Chuo Coopers & Lybrand Consulting Co., Ltd.	
		Jan. 1992	Senior Partner, Chuo Audit Corporation	
		Nov. 1997	Representative, Kasumi Research Empowerment Institute (present post)	
		Jun. 2002	Corporate Auditor, UFJ Holdings, Inc. (currently Mitsubishi UFJ Financial Group, Inc.)	
		Jan. 2004	Director, DAI-ICHI HOKI CO., LTD. (present post)	
		Jan. 2006	Corporate Auditor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		Jun. 2007	Managing Director, Mitsui Fudosan Co., Ltd.	
		Jun. 2009	Audit & Supervisory Board Member, the Company	
		Jun. 2012	Director, the Company (present post)	
		Apr. 2013	Director, Ryoyo Electro Corporation (present post)	
		Jun. 2014	Director, Sanrio Company, Ltd. (present post)	
	[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.			

No.	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)		Number of shares held in the Company
10	Nobuyuki Toya (July 27, 1959) [Reelection] [External] Attendance at the meetings of the Board of Directors: 12/13 *	Apr. 1982	Joined DENTSU INC.	—
		Jul. 2008	Director, Interactive Media Division, DENTSU INC.	
		Jan. 2010	Director, Digital Business Division, DENTSU INC.	
		Apr. 2012	Executive Officer, Director of Digital Business Division, DENTSU INC.	
		Apr. 2012	President and CEO, Dentsu Digital Holdings, Inc.	
		Oct. 2014	Executive Officer, DENTSU INC. (present post)	
		Jun. 2015	Director, the Company (present post)	
[Reason for the nomination of the candidate for External Director] Mr. Nobuyuki Toya serves as an Executive Officer of DENTSU INC., Japan's biggest advertising agency, and he has provided practical suggestions based on his extensive experience and broad discernment in the advertising business. 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.				
11	Shiho Konno (June 28, 1963) [New] [External]	Apr. 1991	Registered as attorney at law	—
		Jun. 2005	Audit and Supervisory Board Member, Yahoo Japan Corporation	
		Mar. 2008	Auditor, Advanced Softmaterials Inc.	
		Apr. 2009	Professor, Waseda Law School	
		Apr. 2014	Member, Committee for the Promotion of Gender Equality, Japan Federation of Bar Associations	
		Aug. 2014	Auditor, Japan Corporate Governance Network (present post)	
		Jun. 2015	Director, Watami Co., Ltd. (present post)	
[Reason for the nomination of the candidate for External Director] Ms. Shiho Konno has no experience of being directly involved in management other than having served as an external officer in the past. However, it is expected that her expert knowledge as an attorney at law and her broad discernment cultivated in a number of important posts can be utilized in the expansion of the Company's business and the further strengthening of the corporate governance system in the future, thus we have nominated her as a candidate for External Director.				

- Notes: 1. * indicates attendance at the meetings of the Board of Directors since assuming his post on June 24, 2015.
- Candidate for Director Kaoru Hayashi is the president 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."
 - Candidate for external Director Nobuyuki Toya is an Executive Officer of DENTSU INC. The aforementioned company is a major shareholder of the Company and an "other affiliated company." Furthermore, the aforementioned company and the Company have entered into basic agreements related to business alliances.
 - There is no special interest between any other candidates for Director and the Company.
 - Candidates for external Director Oki Matsumoto, Yoshiharu Hayakawa and Nobuyuki Toya 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. Oki Matsumoto, four years for Mr. Yoshiharu Hayakawa and one year for Mr. Nobuyuki Toya.
 - At the Annual General Meeting of Shareholders of Monex Group, Inc. (scheduled to be held on June 25, 2016), where candidate for external Director Oki Matsumoto serves concurrently as Managing Director & Chairman, Representative Executive Officer, President, Mr. Kaoru Hayashi, the Chairman of the Board of the Company, is scheduled to be submitted as a candidate for external Director. If the proposal is approved, Mr. Kaoru Hayashi has been detached from the execution of operations at the Company for ten years, so the relationship of mutual appointment based on the provisions of Tokyo Stock Exchange, Inc. will not apply to Monex Group, Inc. and the Company.
 - The Company has entered into agreements with Mr. Oki Matsumoto, Mr. Yoshiharu Hayakawa and Mr. Nobuyuki Toya 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. Oki Matsumoto, Mr. Yoshiharu Hayakawa and Mr. Nobuyuki Toya is approved, the Company plans to renew the aforementioned agreements with them. If the election of Ms. Shiho Konno is approved, the Company plans to enter into the same limited liability agreement with her.
 - The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Oki Matsumoto and Mr. Yoshiharu Hayakawa as independent officers as provided for by the aforementioned exchange. Furthermore, Ms.

Shiho Konno satisfies the requirements for an independent officer as provided for by the aforementioned exchange. The Company plans to submit notification to the aforementioned exchange concerning the three candidates as independent officers conditional upon the approval and adoption of this proposal.

9. Responsibility at the Company described in the candidates' list will be on the assumption that the election is approved.

Proposal No. 3: Determination of Compensation, etc. for Directors Related to Compensatory Stock Options

The Extraordinary General Meeting of Shareholders held on May 26, 2000 resolved to limit the Company's directors' compensation to a maximum of ¥30 million per month (not including employee salary for employees who also serve as directors). In addition to this compensation, the Company's 15th Ordinary General Meeting of Shareholders held on June 26, 2012 resolved to grant stock acquisition rights in the form of stock options (tax qualified stock options) up to an annual maximum of ¥250 million as compensation for directors (except external directors).

Concerning stock acquisition rights allotted in the form of stock options, the Company recently decided to newly adopt a compensatory stock option plan for its directors (except external directors) with the aim of better linking directors' compensation to the Company's share price performance, aligning directors with shareholder as co-beneficiaries of share price appreciation and co-bearers of the risk of share price losses, and increasing the motivation of directors to maximize medium to long-term corporate value.

The Company accordingly requests approval for the allotment of stock acquisition rights in the form of compensatory stock options to directors (except for external directors) up to an annual maximum of ¥100 million in addition to the aforementioned compensation, etc. The Company considers this to be a fair amount in light of the aforementioned objectives.

In granting compensatory stock options, the Company will grant directors who are allotted stock acquisition rights compensation equivalent to the subscription price for the stock acquisition rights, and said directors will be allowed to acquire stock acquisition rights by offsetting the subscription price payable for the stock acquisition rights against their compensation receivable from the Company. The value of stock option compensation, etc. will be determined by multiplying the total number of stock acquisition rights allotted by the fair value per stock acquisition right as calculated on the date of allotment of stock acquisition rights.

It should be noted that the Company currently has 11 directors (includes three external directors), and if Proposal No. 2 Election of Eleven (11) Directors is approved as proposed, there will be 11 directors (includes four external directors).

The details of the stock acquisitions rights in the form of compensatory stock options for the Company's directors (except external directors) are as below.

(1) Class and number of shares issuable upon exercise of stock acquisition rights

The class of shares issuable upon exercise of the stock acquisition rights is the Company's common stock. The number of shares issuable upon exercise of the stock acquisition rights is 100 (the "Number of Issuable Shares") per stock acquisition right exercised.

In the event that the Company's common stock is subject to a stock split (including the allotment of common shares of the Company without charge; hereinafter the same) or reverse stock split after the date of grant of stock acquisition rights (the "Grant Date"), the Number of Issuable Shares will be adjusted as follows for any stock acquisition rights unexercised as of the stock split or reverse stock split.

Adjusted Number of Issuable Shares = pre-adjustment Number of Issuable Shares × stock split or reverse stock split ratio

Additionally, the Company may otherwise adjust the Number of Issuable Shares as deemed necessary by its Board of Directors in the event of unavoidable circumstances that necessitate the adjustment of the Number of Issuable Shares.

If the Number of Issuable Shares calculated by the above formula includes a fraction of a share, it will be rounded down to the nearest whole number.

(2) Total number of stock acquisition rights

The Company will grant a total of no more than 1,500 stock acquisition rights within one year of the date of the Ordinary General Meeting of Shareholders for each fiscal year.

(3) Stock acquisition right subscription price

The subscription price for one stock acquisition right will be set by the Company's Board of Directors based on the fair value of the stock acquisition rights as determined by the Black Scholes model or other such valuation model when the stock acquisition rights are granted.

Directors to whom stock acquisition rights have been granted ("Grantees") need not pay the subscription price in cash. In lieu of cash payment of the subscription price, Grantees may offset the subscription price payable against their compensation receivable from the Company.

(4) Value of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon exercise of stock acquisition rights will be ¥1 per share of stock issuable upon exercise of the stock acquisition rights. The total consideration payable for stock issued upon exercise of stock acquisition rights is ¥1 multiplied by the Number of Issuable Shares.

(5) Period when stock acquisition rights may be exercised

The period when stock acquisition rights may be exercised will be set by the Company's Board of Directors, not to exceed 30 years from the day after the Grant Date of the stock acquisition rights.

(6) Conditions for exercise of stock acquisition rights

Grantees may exercise their stock acquisition rights once no longer a director of the Company, but only on an all-at-once basis, within ten days from the day after their position as director was terminated (or the first business day thereafter if the 10th day is not a business day). Other conditions for the exercise of stock acquisition rights may be prescribed by the Board of Directors that authorizes the offering of the stock acquisition rights.

(7) Restriction on transfer of stock acquisition rights

The acquisition of stock acquisition rights through transfer requires the approval of the Company's Board of Directors.

(8) Other

Other particulars relating to stock acquisition rights will be determined by the Board of Directors that authorizes the offering of the stock acquisition rights.

Instructions for exercising voting rights via the Internet

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

1. You can only exercise your voting rights via the Internet by accessing the voting website designated by the Company (<http://www.web54.net>).
A site accessible via mobile phone is not available.
2. When exercising your voting rights via the Internet, you will need the voting rights exercise code and password shown on the voting card.
3. Voting rights may be exercised by 7:00 pm. on Wednesday, June 22, 2016 (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.