



**Q1 FY2016
Results Briefing**

August 4, 2016

Kakaku.com, Inc.

Summary

1Q FY2016 Highlights

Kakaku.com

Domestic

Sales growth of 2.8% YoY. Growth in the shopping category remains steady, while both the service and finance related categories are recording strong growth.

Overseas

The number of unique users for Priceprice.com reached 9.5 million users (four-country total) as of end-July.

tabelog

Domestic

The number of fee-paying restaurants has surpassed 50,000 restaurants as of end-June, an increase of 23.4% YoY.

Overseas

The number of monthly unique users reached 840,000 as of end-July.

New Media

Travel business Time Design and real estate site Sumaity continue to post strong sales, recording growth of 28.8% compared to last fiscal year.

Insurance

Changes in premiums and the maximum contract period for fire insurances implemented in October 2015, have resulted in a decrease in revenue overall, but the life insurance category remains strong.

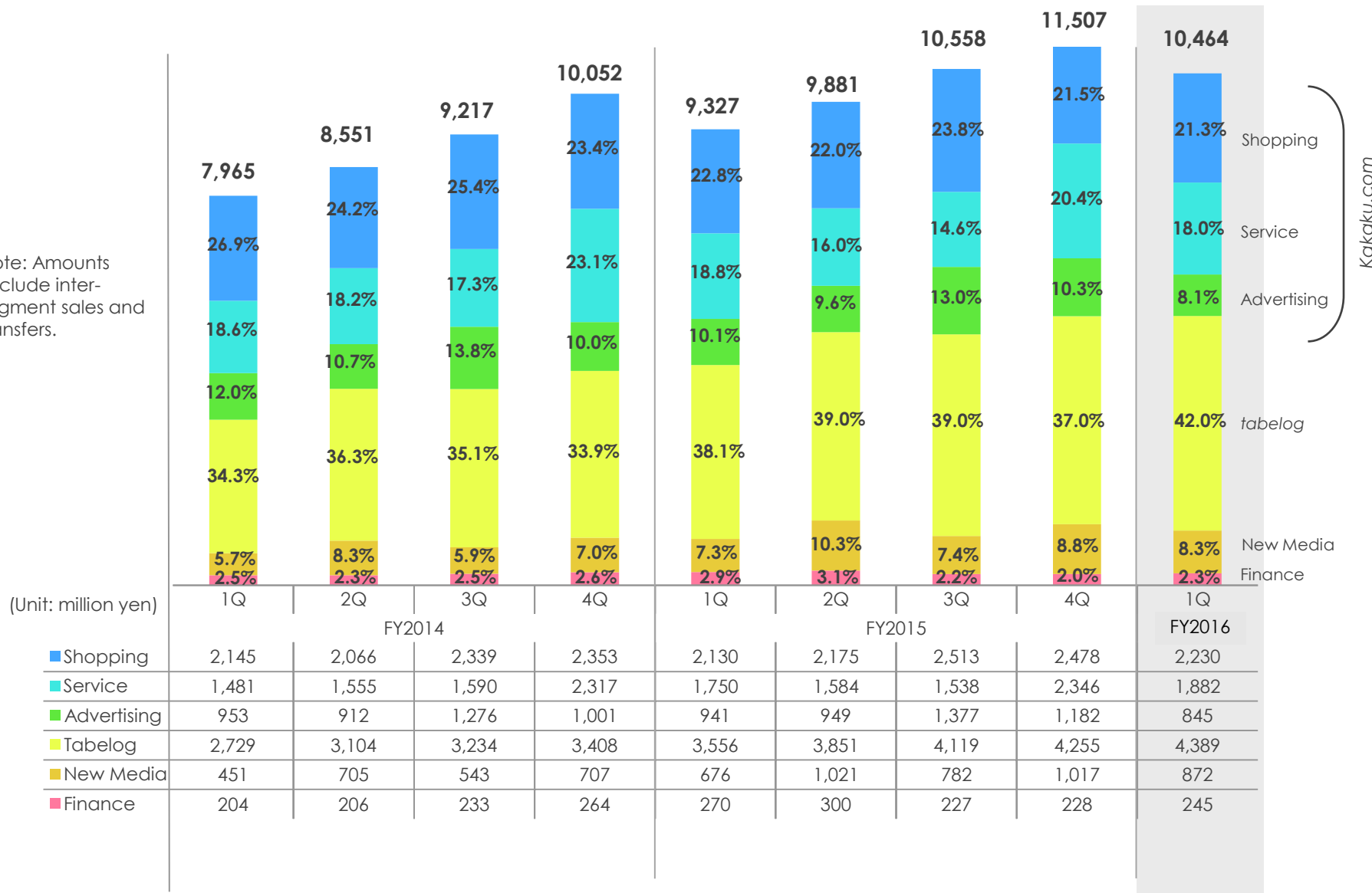
1Q FY2016 Results

(Unit: million yen)

	1Q FY2015 (Apr-Jun 2015)	1Q FY 2016 (Apr-Jun 2016)	YoY	Half-year Forecast	Progress relative to forecast	Full-year forecast	Progress relative to forecast
Sales	9,327	10,464	+12.2%	22,000	47.6%	48,000	21.8%
Operating income	4,276	4,854	+13.5%	10,000	48.5%	23,000	21.1%
Ordinary income	4,297	4,853	+13.0%	10,000	48.5%	23,000	21.1%
Net income attributable to shareholders of the parent company	2,939	3,479	+18.4%	6,900	50.4%	15,900	21.9%
Operating margin	45.9%	46.4%	+0.5pts	45.5%	-	47.9%	-

Quarterly Sales by Business Category (Consolidated)

Note: Amounts exclude inter-segment sales and transfers.



Quarterly Cost Breakdown (Consolidated)

*1 Commission = Various commissions paid + Advertising agency commissions
 *2 The number of regular employees, with the average number of temporary employees for each quarter shown separately in parentheses



Kakaku.com

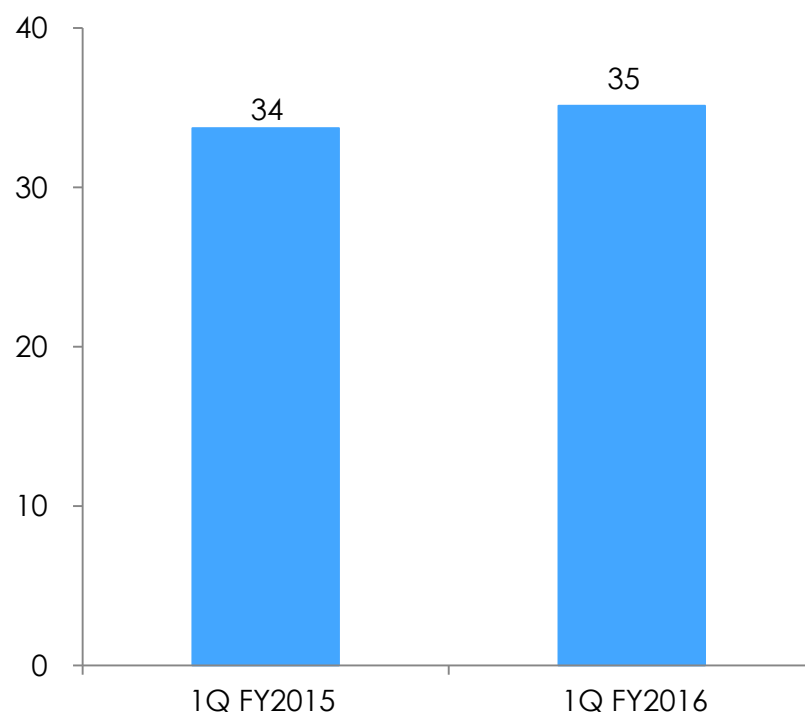
Kakaku.com: Business Overview

- Both the shopping and service categories show solid revenue growth (+2.8% YoY)
- The total number of domestic and overseas users surpassed 54 million (+3.0% YoY)

Kakaku.com quarterly sales trend (in million yen)



ARPU for domestic users (yen)

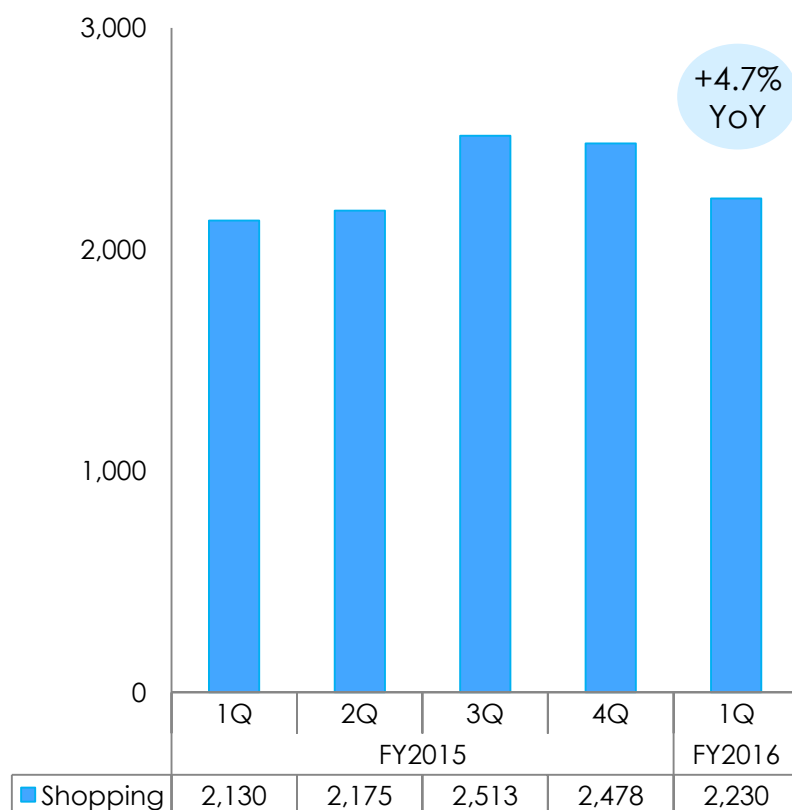


Note: ARPU is measured as a 3month average (April – June 2016)

Kakaku.com: Shopping Business

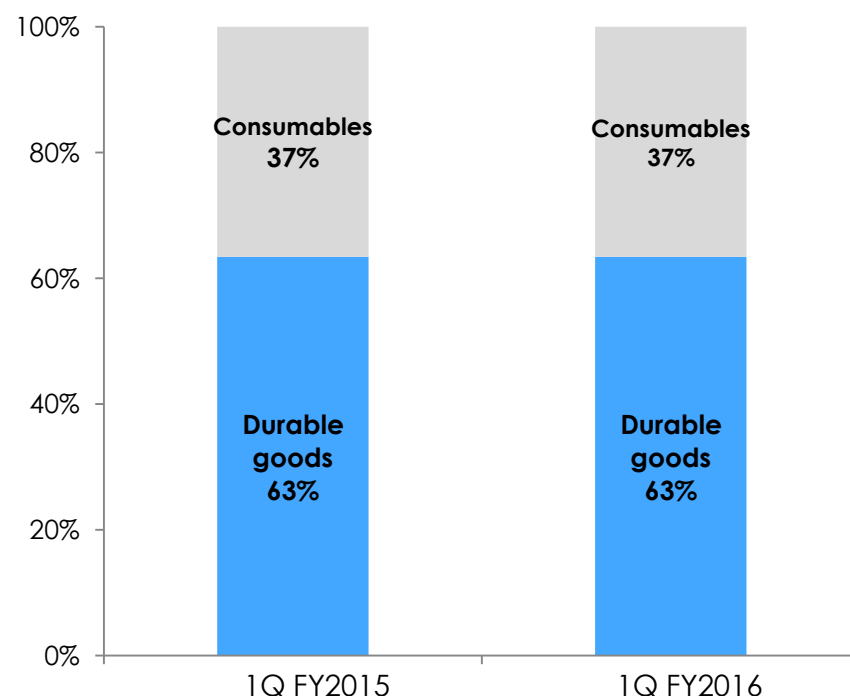
- The shopping category recorded sales of 2.23 billion yen (+4.7% YoY)
- Increase in commissions, driven by improved content in the consumables category

Quarterly sales trend (in million yen)



Durable goods/consumables: breakdown of sales share (%)

- Revenue generated by consumables continues to grow, but the sales share of durable goods remains unchanged, due to solid growth in the direct sales PC category



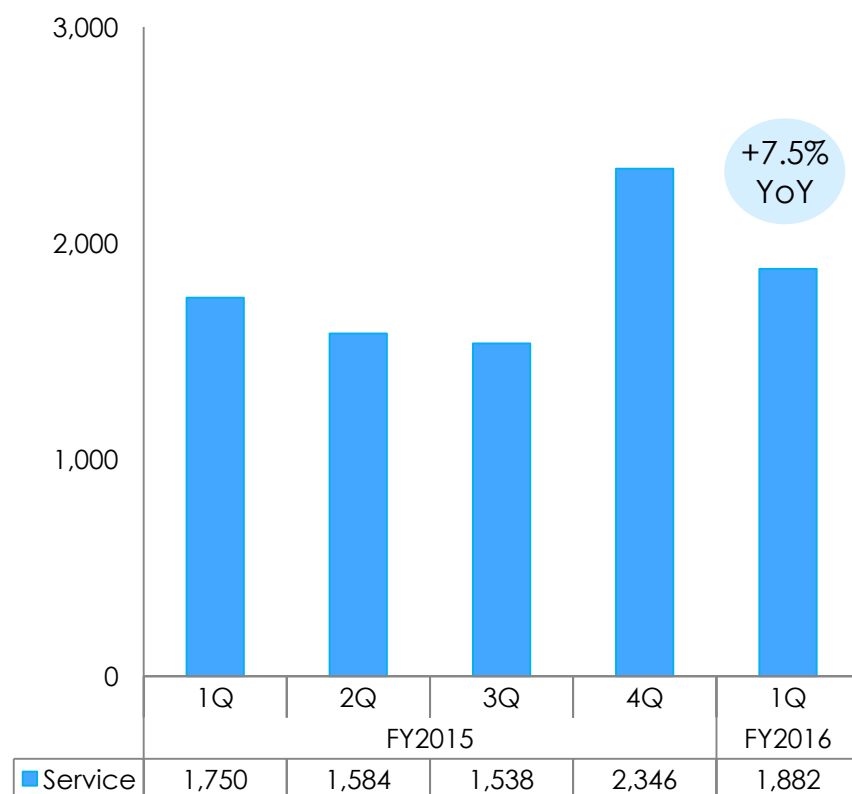
Durable Goods: PCs, household appliances, cameras, etc.

Consumables : Clothing, accessories, everyday goods, food and beverages

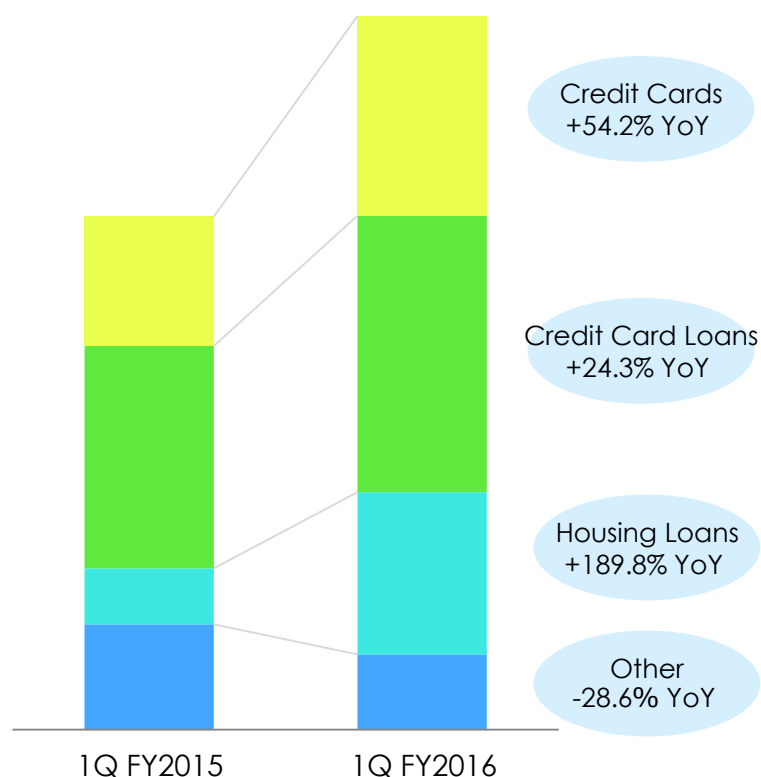
Kakaku.com: Service Business

- Quarterly sales reached 1.88 million yen (+7.5% YoY)
 - The communication service category as well as finance related categories, such as credit card and loan comparison, continue to report strong sales growth

Quarterly sales trend (in million yen)



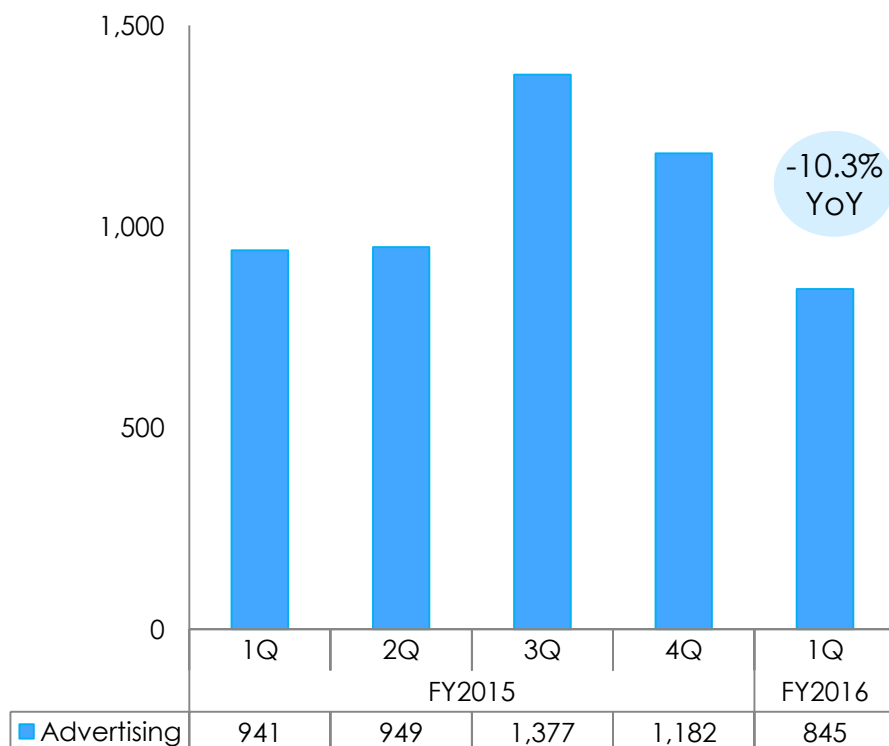
Growth rates of finance related categories (%)



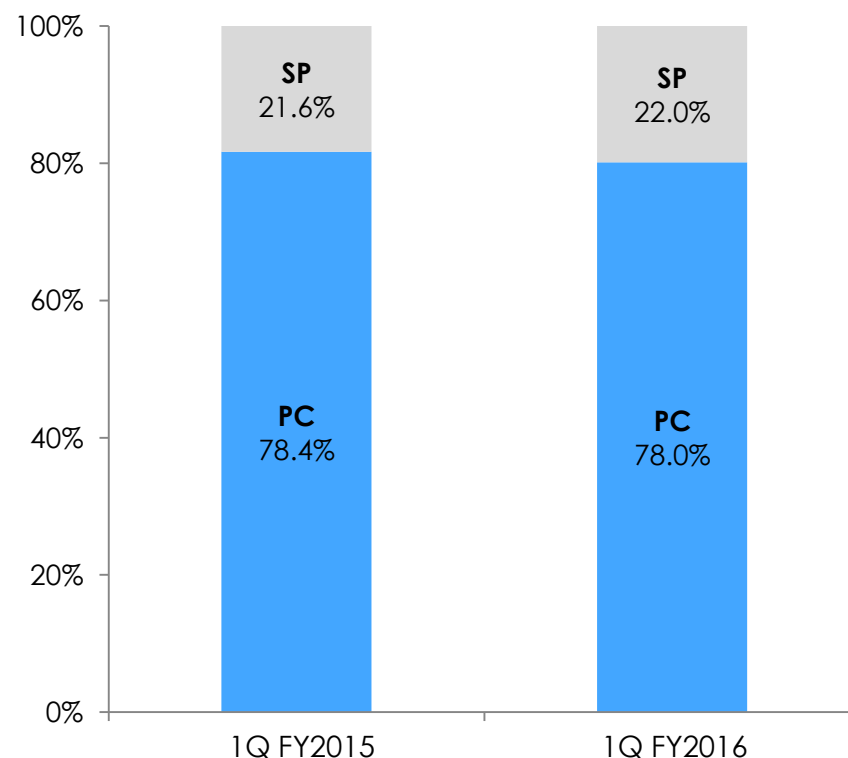
Kakaku.com: Advertising Business

- Quarterly sales reached 845 million yen (-10.3% YoY)
 - Lower ad spend from digital and consumer electronics brands, due to a lack of new product releases and the 2016 Kumamoto Earthquake

Quarterly sales trend (in million yen)

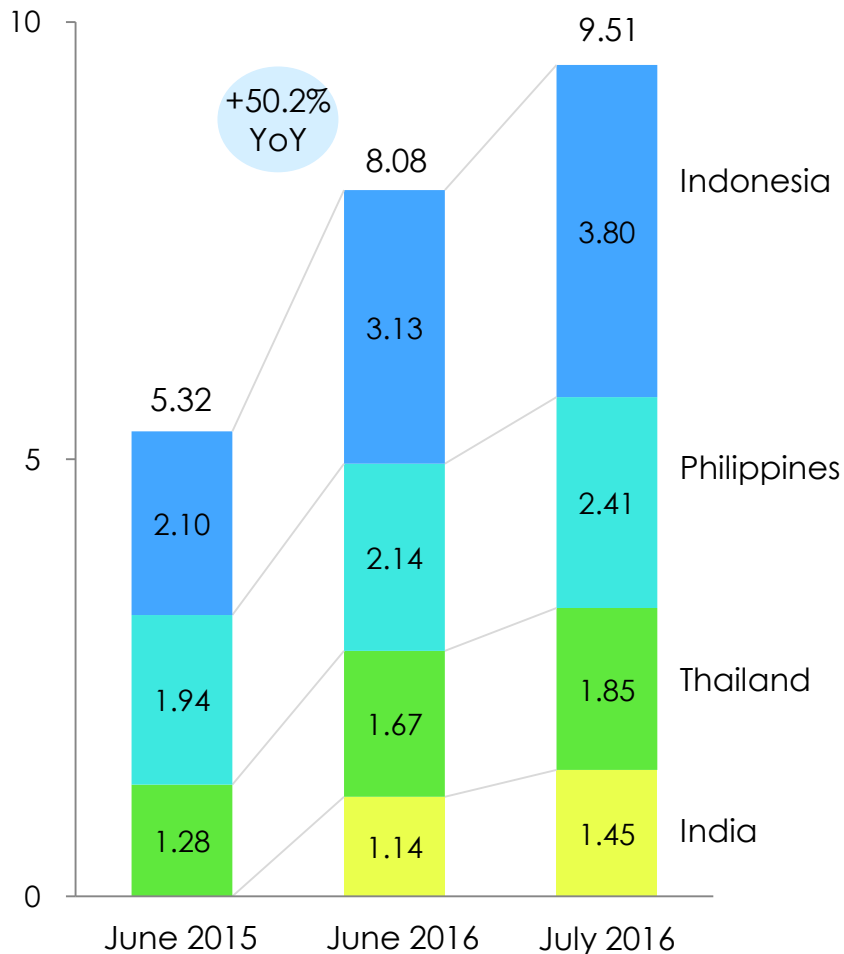


Ad sales breakdown by device (%)



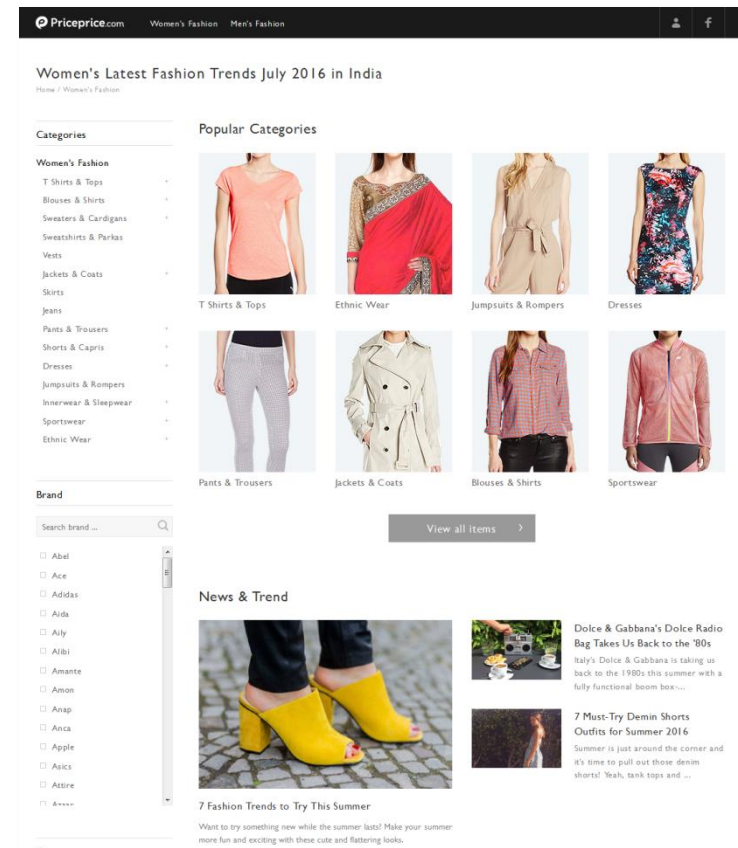
Kakaku.com: Overseas Business

Monthly unique users by country (in million)



Fashion categories and content

- Fashion related categories and content were added to all four country sites in July 2016, with the aim to reach new users



Note: Monthly unique users are the number of users who visited the site via browser. Users who visited the site more than once over the course of the month are counted as one.

Kakaku.com: Focus on enhancing shopping media content

- Increase in media content for consumables, such as fashion or everyday goods
- Site optimization according to product category and device

Kakaku.com Magazine: Review articles on new products

- Growing trend in user numbers, since the site renewal in October 2015. As of July 2016, user numbers exceeded 1.55 million



+CLAP Men: Men's fashion magazine

- Web magazine with articles on men's fashion, lifestyle and culture

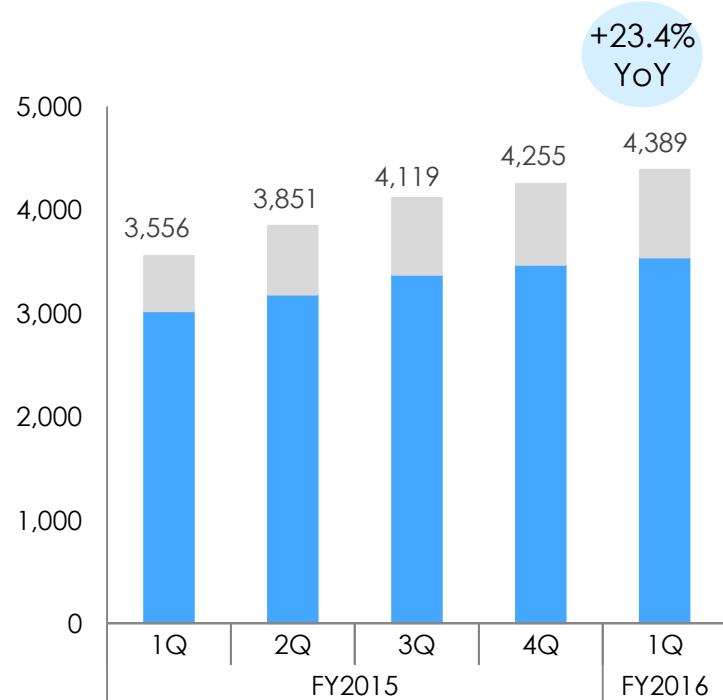


tabelog

tabelog: Businesses Overview

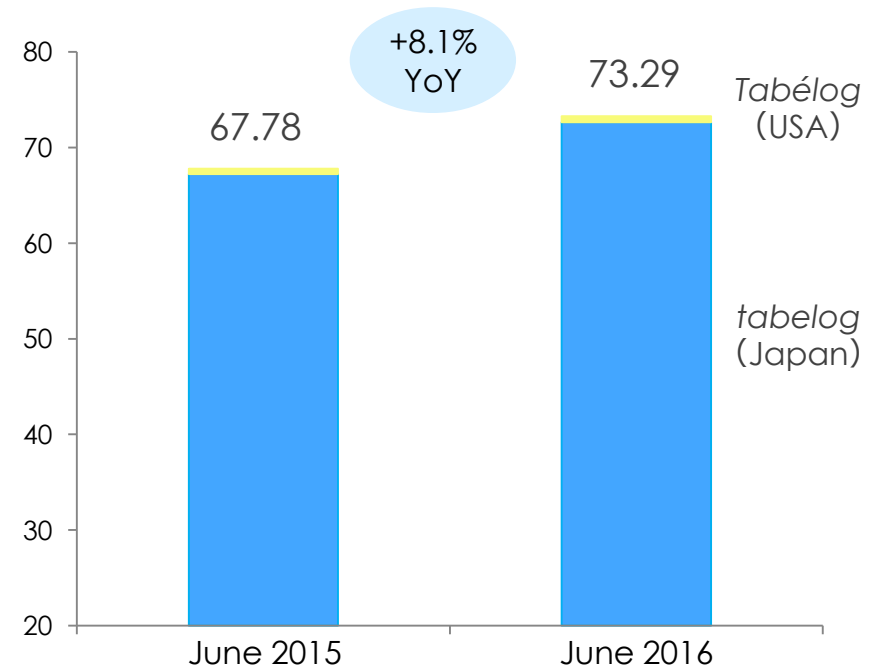
- Quarterly sales reached 4,389 million yen (+23.4% YoY)
- Solid growth in the number of fee-paying restaurants
- The total of domestic and overseas monthly unique users reached 73 million, as of end-June 2016

tabelog quarterly sales trend (in million yen)



Paying individuals	534	666	743	783	849
Corporate sales	3,021	3,182	3,373	3,469	3,540

Domestic and overseas monthly unique users (in million)

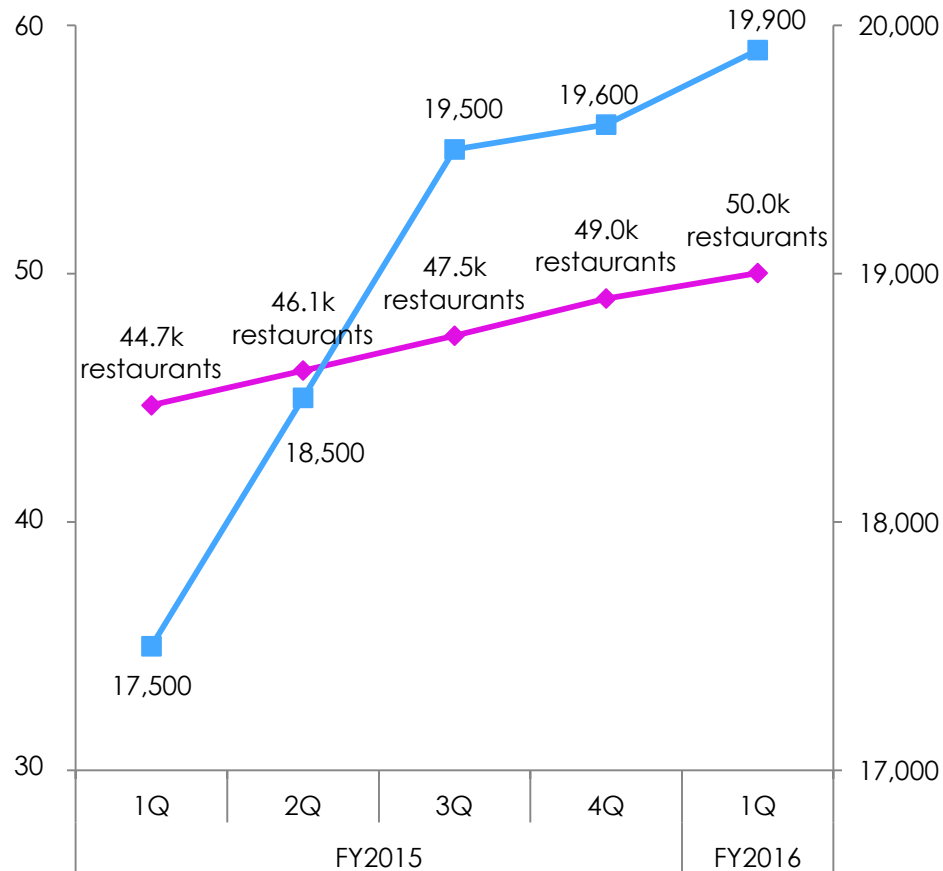


tabelog: Domestic Business

Number of fee-paying restaurants and ARPU

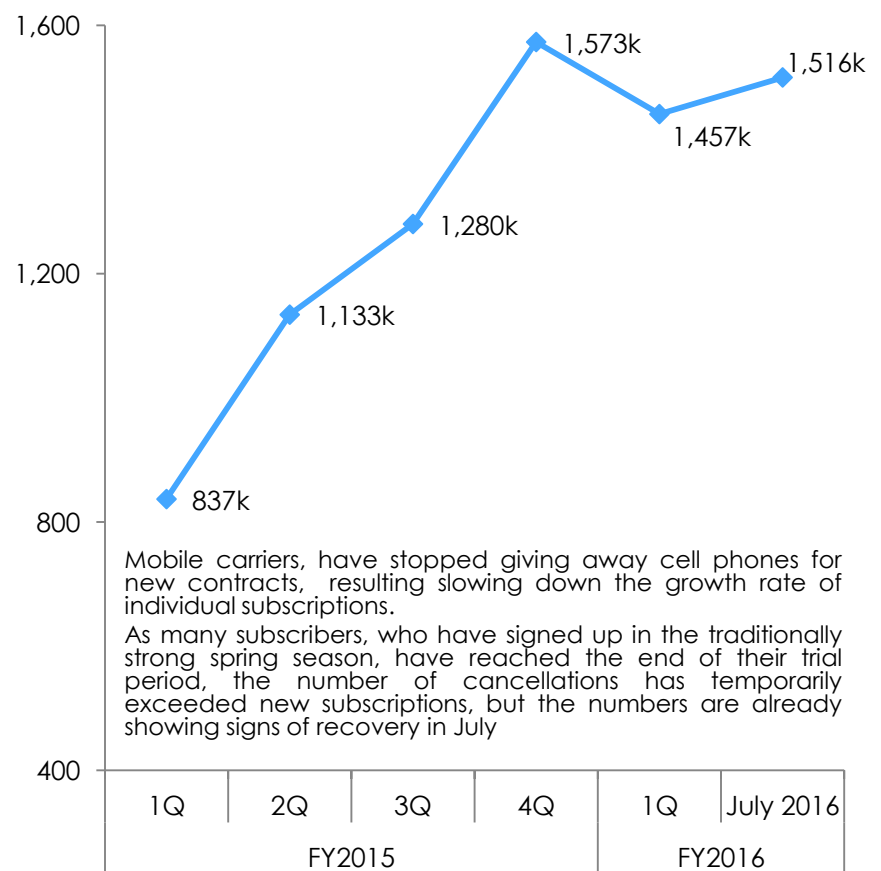
(Nr. of Restaurants: in thousand)

(ARPU: yen)



Number of individual paid subscribers

(Nr. of Subscribers : in thousand)



tabelog: Enhanced Content

Added features for tabelog app

- New features, such as the ability to post short comments and pictures only, were released in May 2016
- The introduction of a timeline feature makes it possible to follow other users and receiving more personalized search results



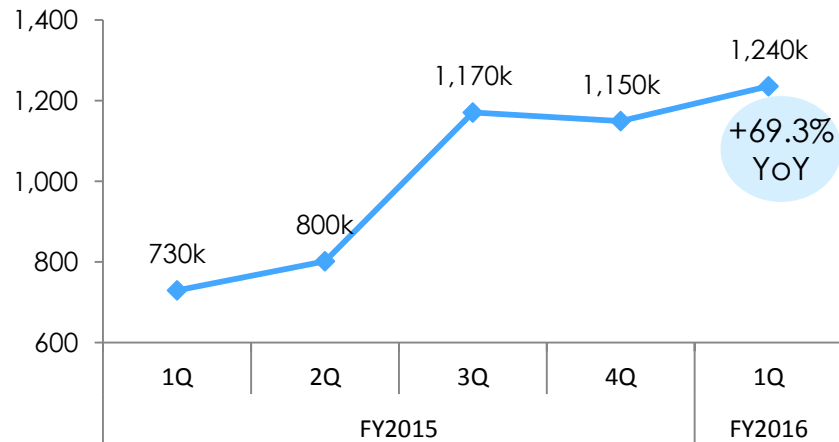
Start of official “Celebrity Foodie” accounts

- Celebrity foodies, introduce their favorite restaurants on their official tabelog accounts
- Tie-in with celebrities' social media accounts

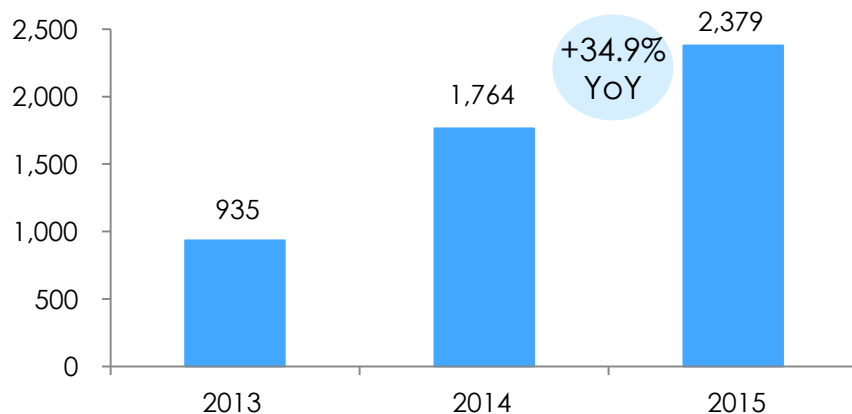


tabelog: Online Reservation

Number of users using *tabelog's* online reservation service (in thousand)



Market size of restaurant related e-commerce (in hundred million)



Source : Ministry of Economy, Trade and Industry

Opening of official LINE account

- Tie-in with *tabelog's* online reservation system
- Reservation confirmation is sent to LINE account

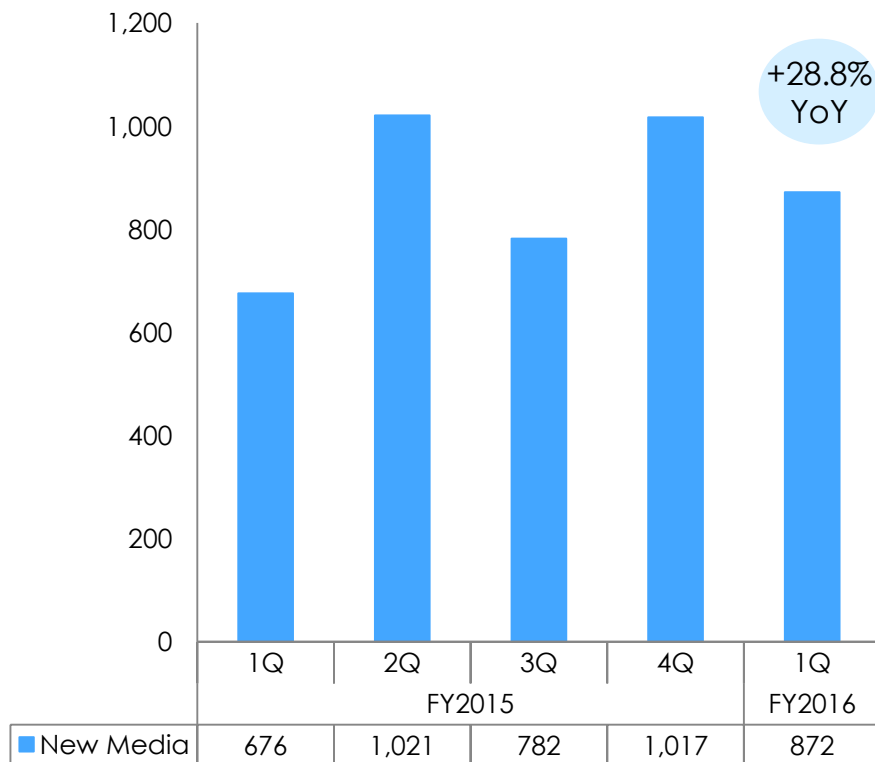


New Media

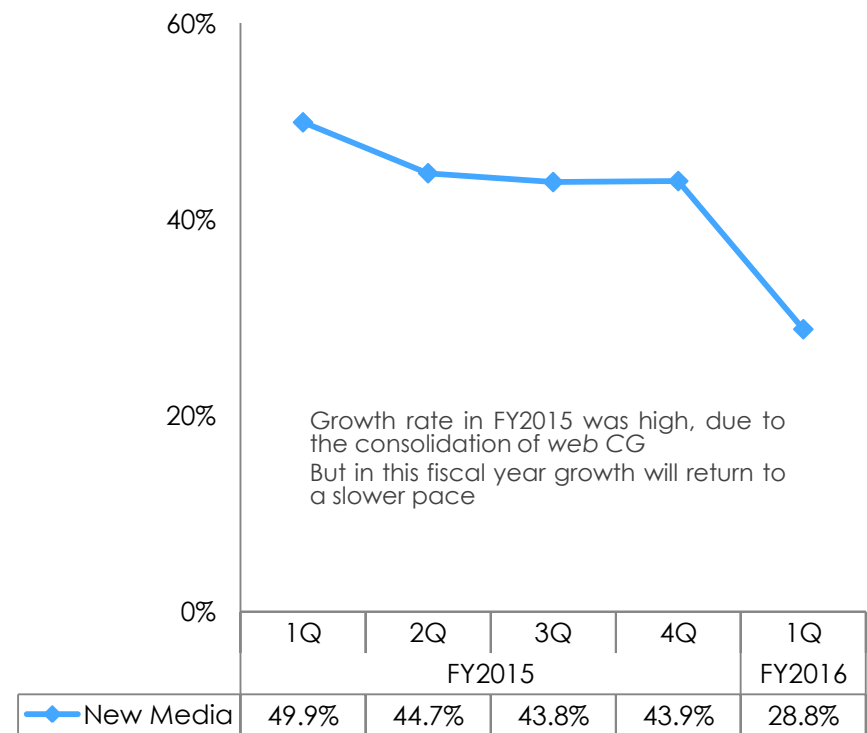
New Media: Overview

- Travel business *Time Design* and real estate site *Sumaity* continue to post strong sales
- Revenue reached 8.72 million yen (+28.8% YoY)

Quarterly sales (in million yen)



Quarterly sales growth rates (%)



New Media: Sowing new seed of growth

Easy to use recipe app: Recipom

- Over 70,000 free recipes made or supervised by professional cooks to choose from
- Over 1 million downloads (iPhone and Android)



Curated travel and gourmet media: icotto

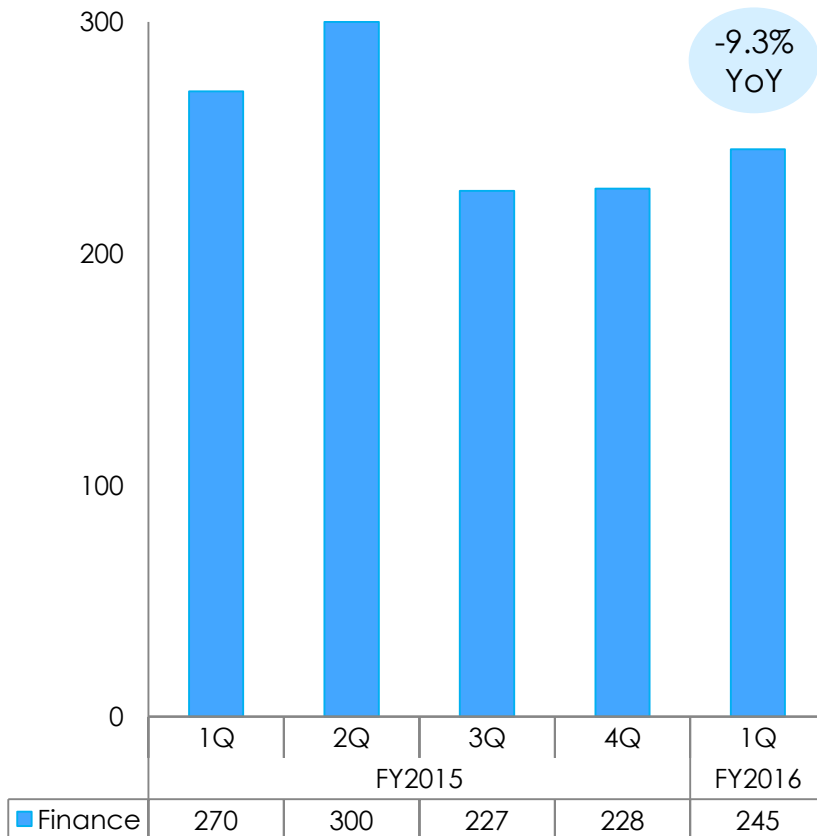
- Curated media for people, who are interested in travel and good food
- More than 880,000 users as of end-July 2016
- Cooperation with 4Travel on travel content



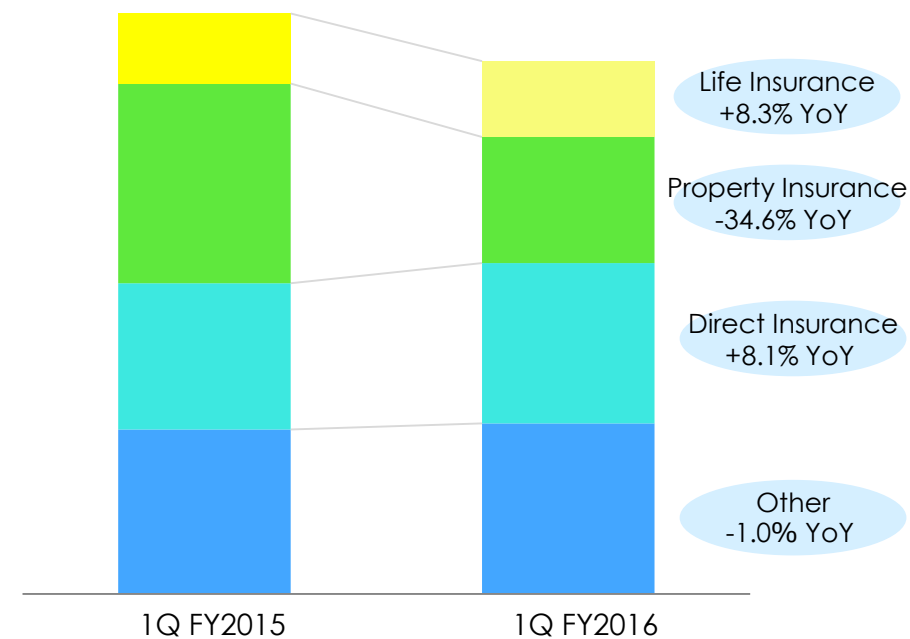
Finance (Insurance) Business

- The finance segment revenue was 245 million yen (-9.3%)
 - Changes in premiums and the maximum contract period for fire insurances, implemented in October 2015, led to a decrease in overall sales year-on-year, but the life insurance category remains strong.

Quarterly sales (in million yen)



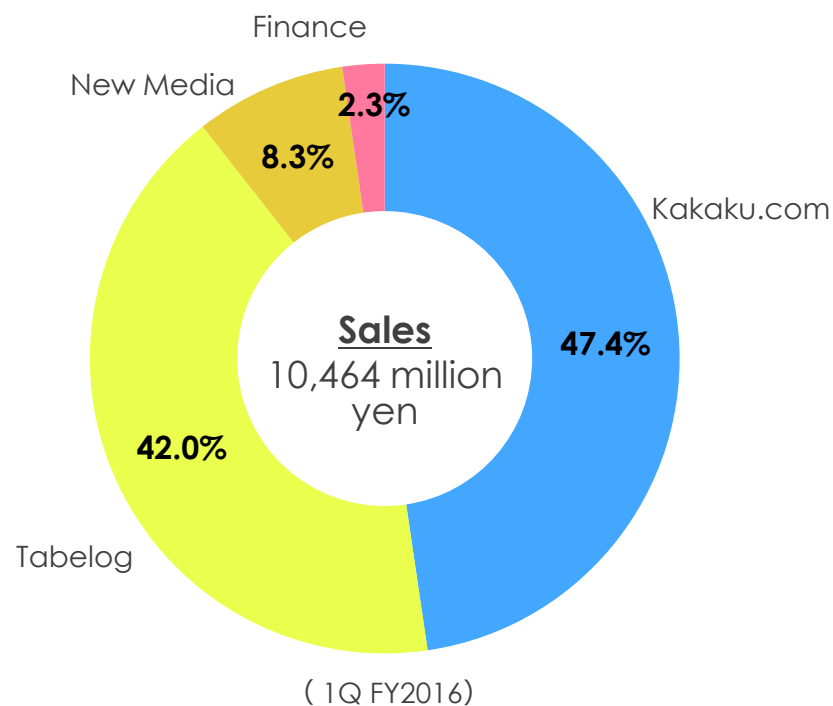
Growth rate by category (%)



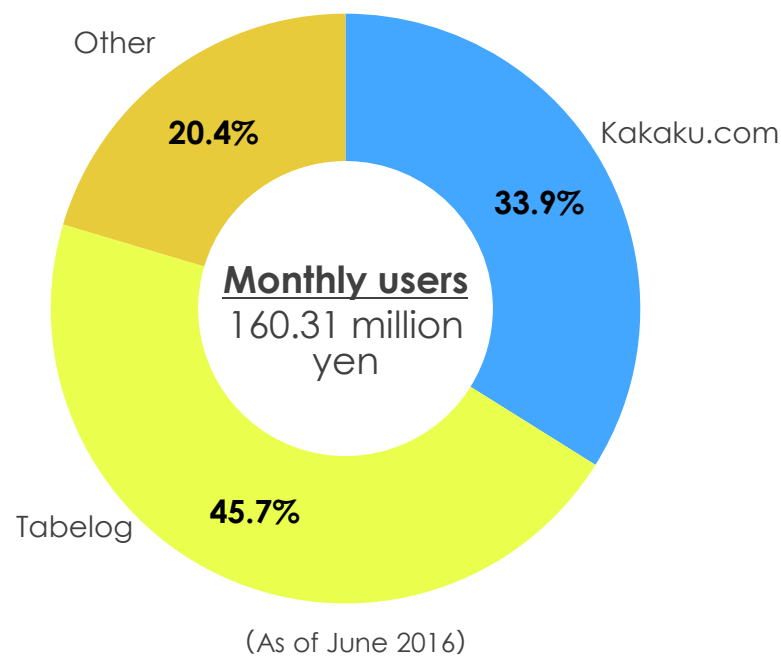
Kakaku.com Group's Growth Strategy

- Maintain growth of existing businesses *Kakaku.com* and *tabelog*, while raising the sales contribution of new media and finance business to 20% in the coming 3 years.

Sales distribution by business (%)



Distribution of monthly users by site (%)



Note: Monthly unique users are the number of users who visited the site via browser. Users who visited the site more than once over the course of the month are counted as one.

Voluntary Adoption of International Financial Reporting Standards (IFRS)

- In order to enhance the global comparability of the company's financial information and enriching the content of our financial disclosure, Kakaku.com will voluntarily adopt IFRS, beginning with 1Q FY2017

	Results for FY2016 (Results briefing: May 2017)	Results for the 1Q FY2017 (Results briefing: August 2017)
Results	J-GAAP	IFRS (Disclosure in conjunction with IFRS results of the previous fiscal year)
Forecast	IFRS	IFRS

- With the implementation of IFRS, sales are expected to be processed in part as net sales. Other changes to our financial disclosure are expected to be insignificant

	Impact of implementing IFRS	Changes in accounting treatment
Sales	Expected loss of 1~2 billion yen	Time Design sales will be processed as net sales, etc.
Operating Income	Impact will be insignificant	<ul style="list-style-type: none"> • Amortization of goodwill will be stopped • Method of depreciation of fixed assets will be changed, etc.
Ordinary Income	Impact will be insignificant	-

Note: The above impact reflects the current forecast and has not been certified by an audit firm

Reference Data

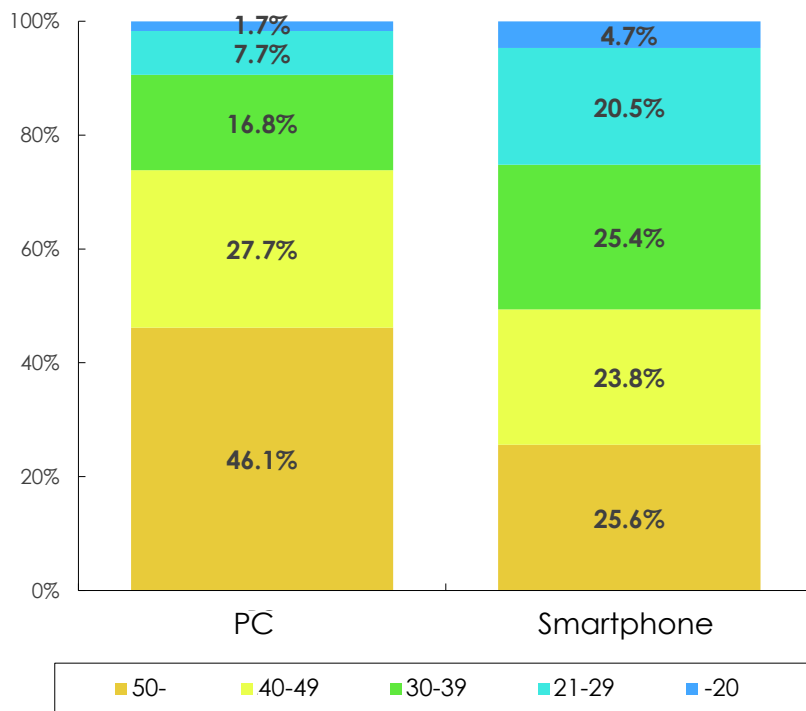
Segments and Business Description

Segment	Site Category	Business Category	Business Description
Internet Media	Kakaku.Com	Shopping	<ul style="list-style-type: none"> Commission income from registered shops based on the number of clicks and sales performance
		Service	<ul style="list-style-type: none"> Commission income based on factors including the number of broadband network contracts Commission income based on requests for estimates and/or information materials for car insurance, finance, and used car searches
		Advertising	<ul style="list-style-type: none"> Advertising income from banners, text advertisements, content and search based advertising on <i>Kakaku.com</i>
	<i>tabelog</i>	<i>tabelog</i>	<ul style="list-style-type: none"> Income from <i>tabelog</i> (income from advertisements for restaurants and other companies, income from a pay-per-use business targeting individuals, etc.)
	Other	New Media	<ul style="list-style-type: none"> Income from operated sites such as <i>yoyaQ.com</i>, <i>4travel</i>, <i>Sumaity</i>, <i>Time Design</i>, <i>eiga.com</i>, and <i>webCG</i>
Finance		Finance	<ul style="list-style-type: none"> Commission income from a <i>general independent insurance</i> agency business for life insurance, non-life insurance, etc. *Operated by Kakaku.com Insurance, Inc.

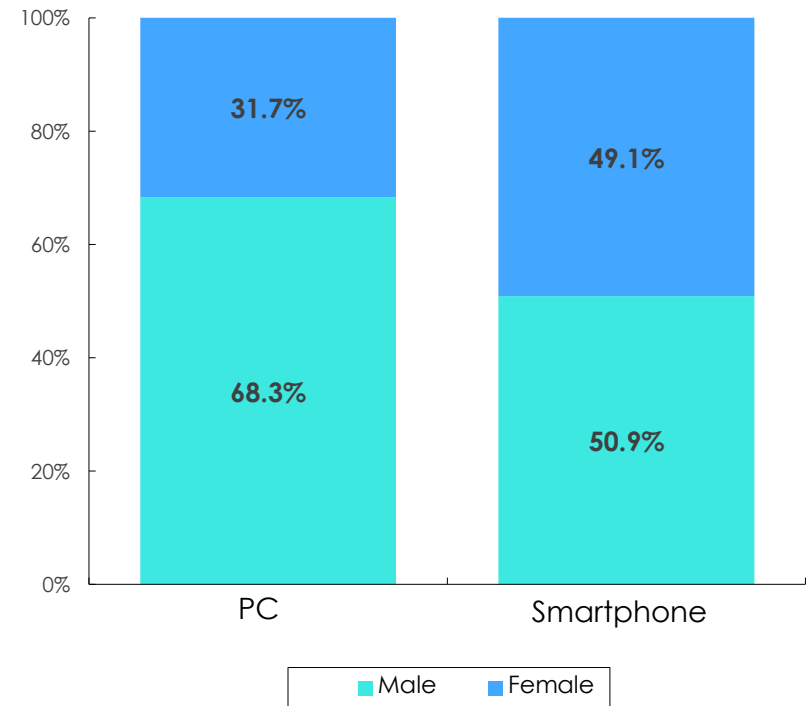
Operated Website User Profile

- Users above 30 account for less than 90% of total users on PC, but only 70% on smartphones.
- While male user ratio is higher for PC, male-female ratio on smartphones is almost 50/50.

Age Distribution



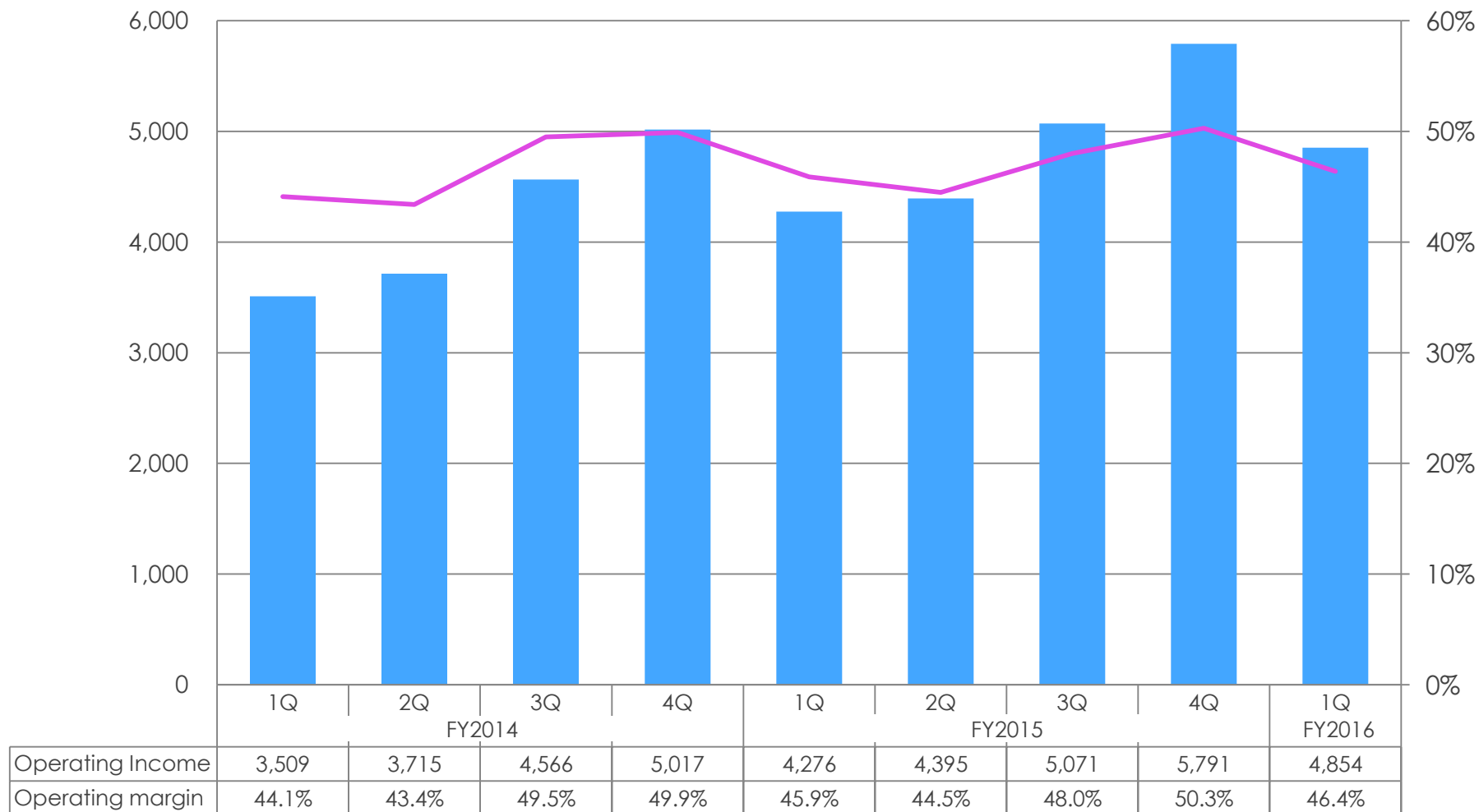
Male-Female Ratio



Note: Age distribution and male-female ratio: Excerpted from a Nielsen Online Mar 2016 study (Home & Work Data)

Operating Income by Quarter (Consolidated)

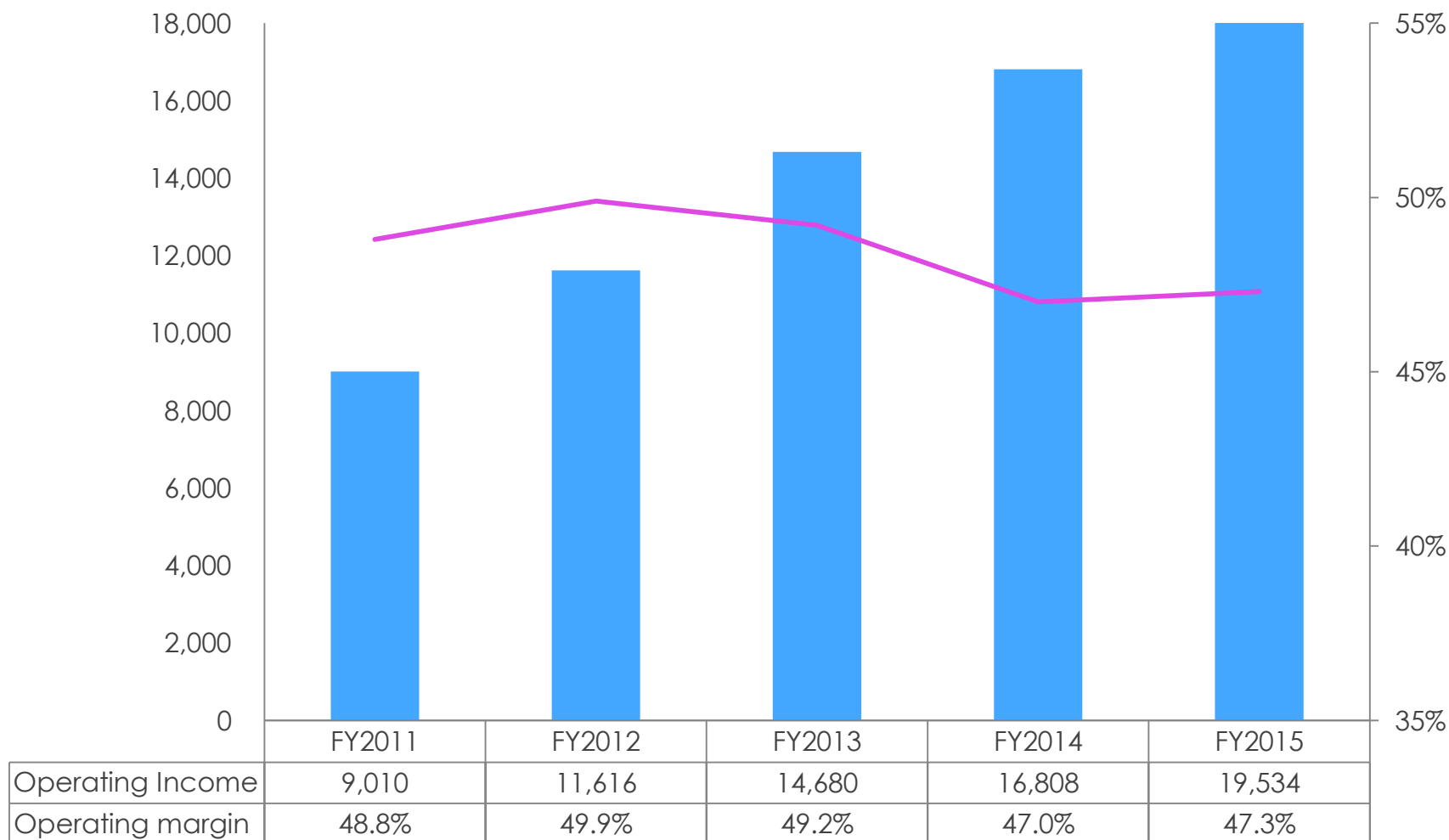
(Unit: million yen, %)



Note: Tabelog Inc. and Time Design Co, Ltd. are included in consolidated accounts from FY2014 1Q
webCG, Inc. is included in consolidated accounts from FY2015 1Q

Operating Income by Fiscal Year (Consolidated)

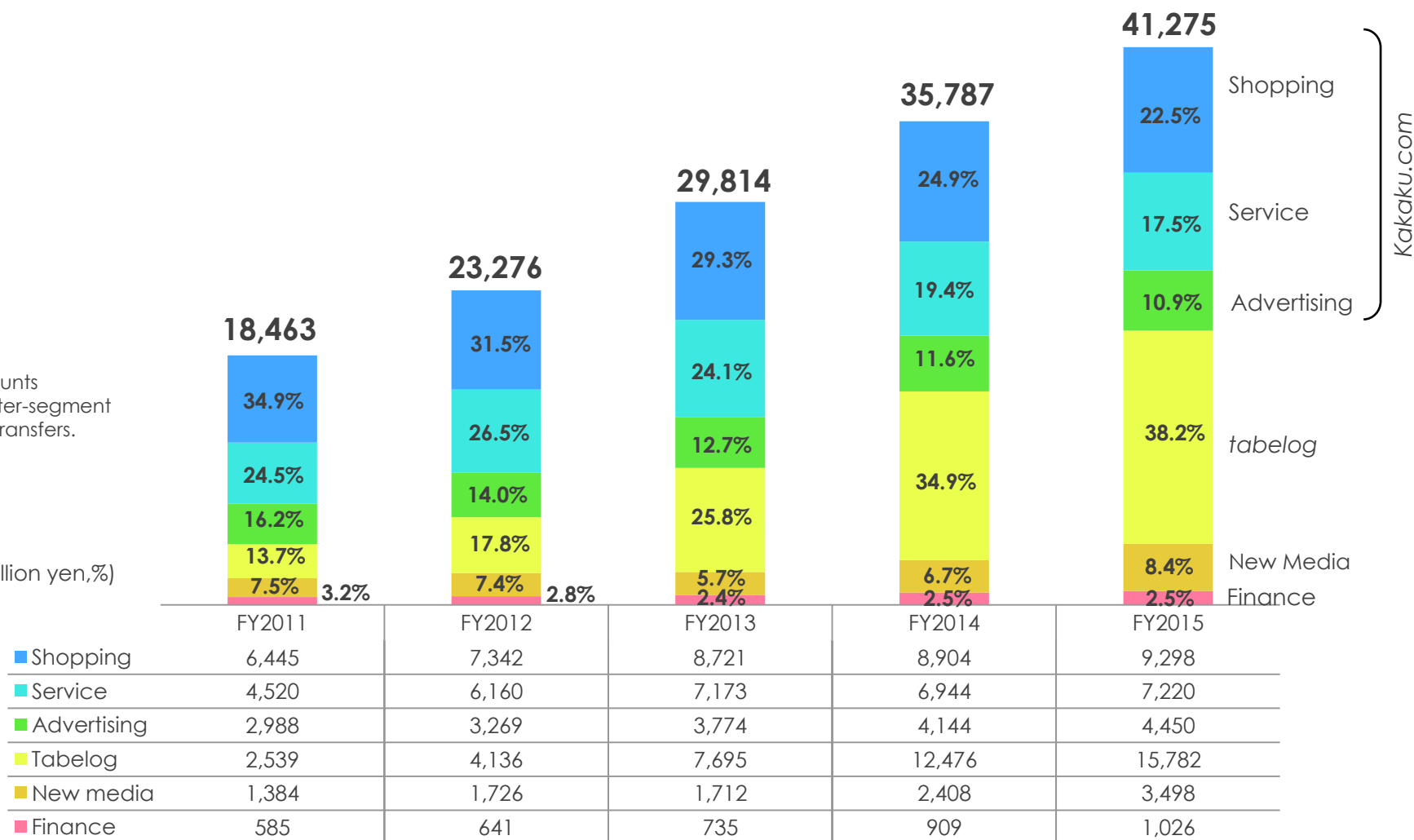
(Unit: million yen, %)



Sales Contribution by Business by Fiscal Year (Consolidated)

Note: Amounts exclude inter-segment sales and transfers.

(Unit: million yen,%)



Kakaku.com Group Service Overview

<p>◆ [Kakaku.con] Purchasing support site</p> 	<p>◆ [tabelog] Restaurant ranking and user review site</p> 	<p>◆ [yoyaQ.com] last minute discounts on hotels and Japanese style inns</p> 
<p>◆ [PHOTOHITO] Photo community site</p> 	<p>◆ [4travel] Travel review and comparison site</p> 	<p>◆ [eiga.com] Movie information site</p> 
<p>◆ [Sumaity] Real estate and housing information site</p> 	<p>◆ [Kakaku.com Insurance] Insurance consulting service</p> 	<p>◆ [recipom] Recipe app</p> 
<p>◆ [Vinica] Wine app for sharing and remembering wines</p> 	<p>◆ [Tabélog] Gourmet media for the US</p> 	<p>◆ [Priceprice.com] Purchasing support site for Southeast Asian</p> 
<p>◆ Dynamic package reservation system (Time Design, inc.)</p> 	<p>◆ [Kinarino] Curated lifestyle media</p> 	<p>◆ [web CG] Online media for car lovers</p> 
<p>◆ [FX Compass] FX related information, commentary and forecast on foreign exchange market</p> 	<p>◆ [Akiba-souken] Akiba style information and community site</p> 	<p>◆ [+CLAP Men] Online media for men's fashion</p> 
<p>◆ [icotto] Travel and gourmet online media</p> 	<p>◆ [tascare] Local portal for information on geriatric nursing</p> 	<p>◆ [Kyujin-box] Job classifieds</p> 

Note: [Kakaku.com Insurance] is operated by Kakaku.com Insurance, Inc., [eiga.com] is operated by eiga.com, Inc, [webCG] is operated by webCG, inc.

Company Profile

■ Company name	Kakaku.com, Inc.	
■ Address	DIGITAL GATE BUILDING, 3-5-7, Ebisu minami, Shibuya-ku, Tokyo 150-0022	
■ Founded	December 1997	
■ URL	http://corporate.kakaku.com/?lang=en	
■ Share Listing	The First Section of Tokyo Stock Exchange	
■ Stock Code	2371	
■ Related Companies	Kakaku.com Insurance, Inc. 4travel, Inc. eiga.com, Inc. Time Design Co. Ltd. Tabélog, Inc. webCG, Inc.	URL: http://hoken.kakaku.com/insurance/company.html URL: http://4travel.jp/ URL: http://eiga.com/ URL: http://www.timedesign.co.jp/ URL: http://www.tabelog.us/ URL: http://www.webcg.net/

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