



## Results Briefing for 1Q FY2019/3

August 2, 2018

Kakaku.com, Inc.

# 1Q FY2019/3 Financial Highlights

# 1Q FY2019/3 Consolidated Results (IFRS)

- Both sales and operating profit were inline with projections. Due to a one-time recording of 200 million yen in additional taxes, net income attributable to shareholders of the parent company in this Quarter was slightly lower than expected, with 3.5 billion yen, an increase of 1.6% yoy.

(Unit : million yen)

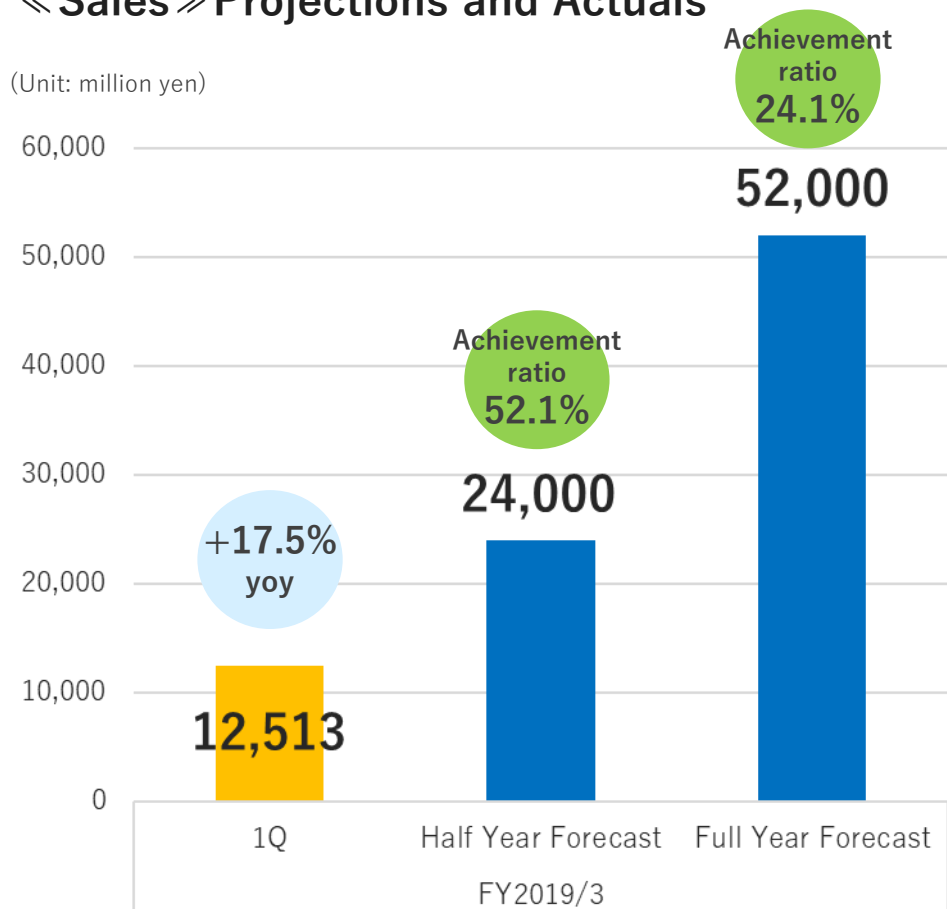
	1Q FY2018/3 4/2017-6/2017	1Q FY2019/3 4/2018-6/2018	yoy	2Q FY2019/3 Forecast (6 month total)	Achievement Ratio	Full Year Forecast	Achievement Ratio
Sales	10,651	<b>12,513</b>	+17.5%	24,000	52.1%	52,000	24.1%
Operating income	5,100	<b>5,560</b>	+9.0%	11,430	48.6%	25,200	22.1%
Ordinary income	5,096	<b>5,533</b>	+8.6%	11,370	48.7%	25,080	22.1%
Net income attributable to shareholders of the parent company	3,479	<b>3,534</b>	+1.6%	7,750	45.6%	17,090	20.7%
Operating margin	47.9%	<b>44.4%</b>	-3.5pts	47.6%	-	48.5%	-

# 1Q FY2019/3 Highlights

- Sales were 12,513 million yen, with strong results from Tabelog's restaurant promotion business, Kakaku.com and Tabelog's advertising business, as well as New Media and Services.
- This positive trend was also reflected in operating profit, which was 5,560 million yen.

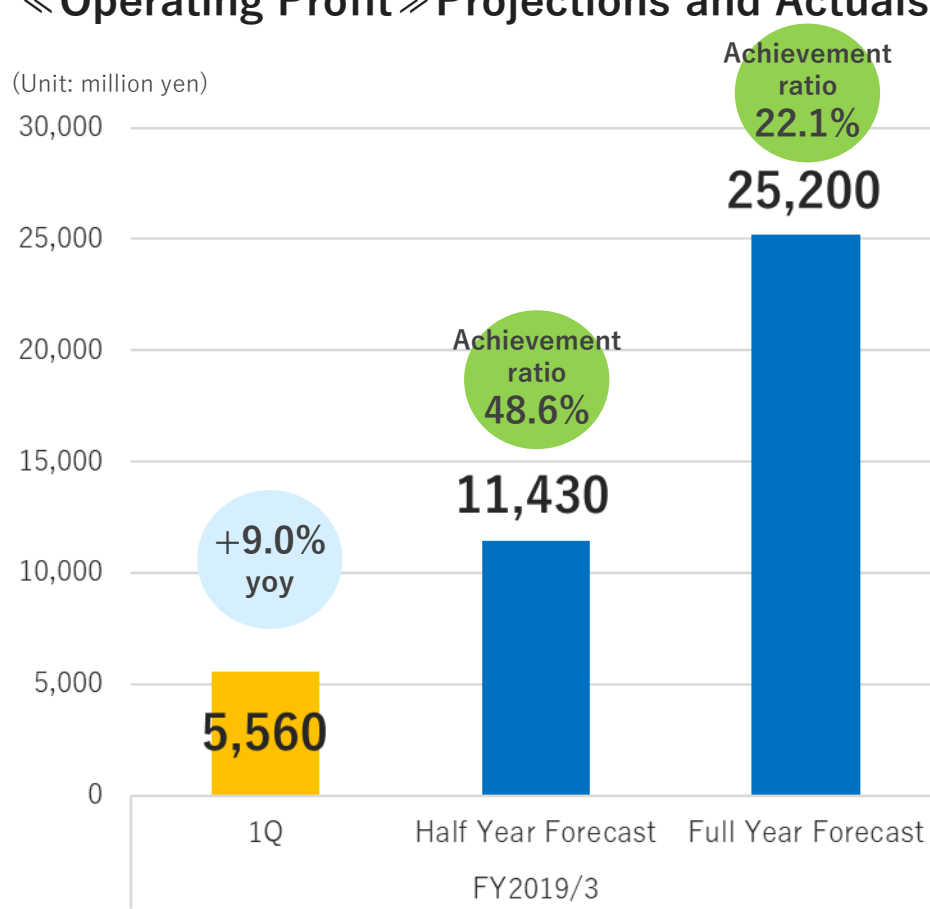
## 《Sales》Projections and Actuals

(Unit: million yen)

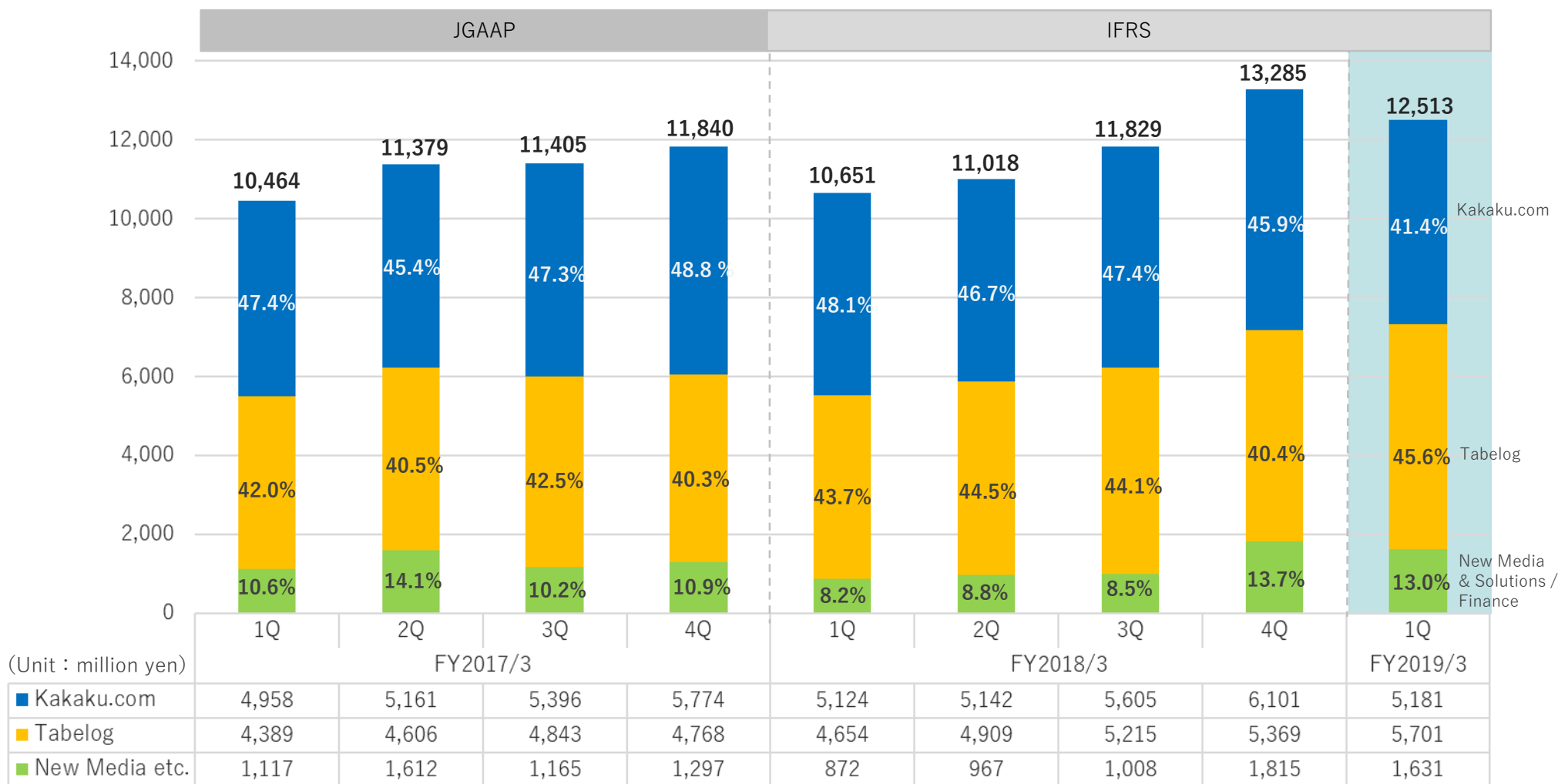


## 《Operating Profit》Projections and Actuals

(Unit: million yen)



# Quarterly Sales by Business Segment (Consolidated)



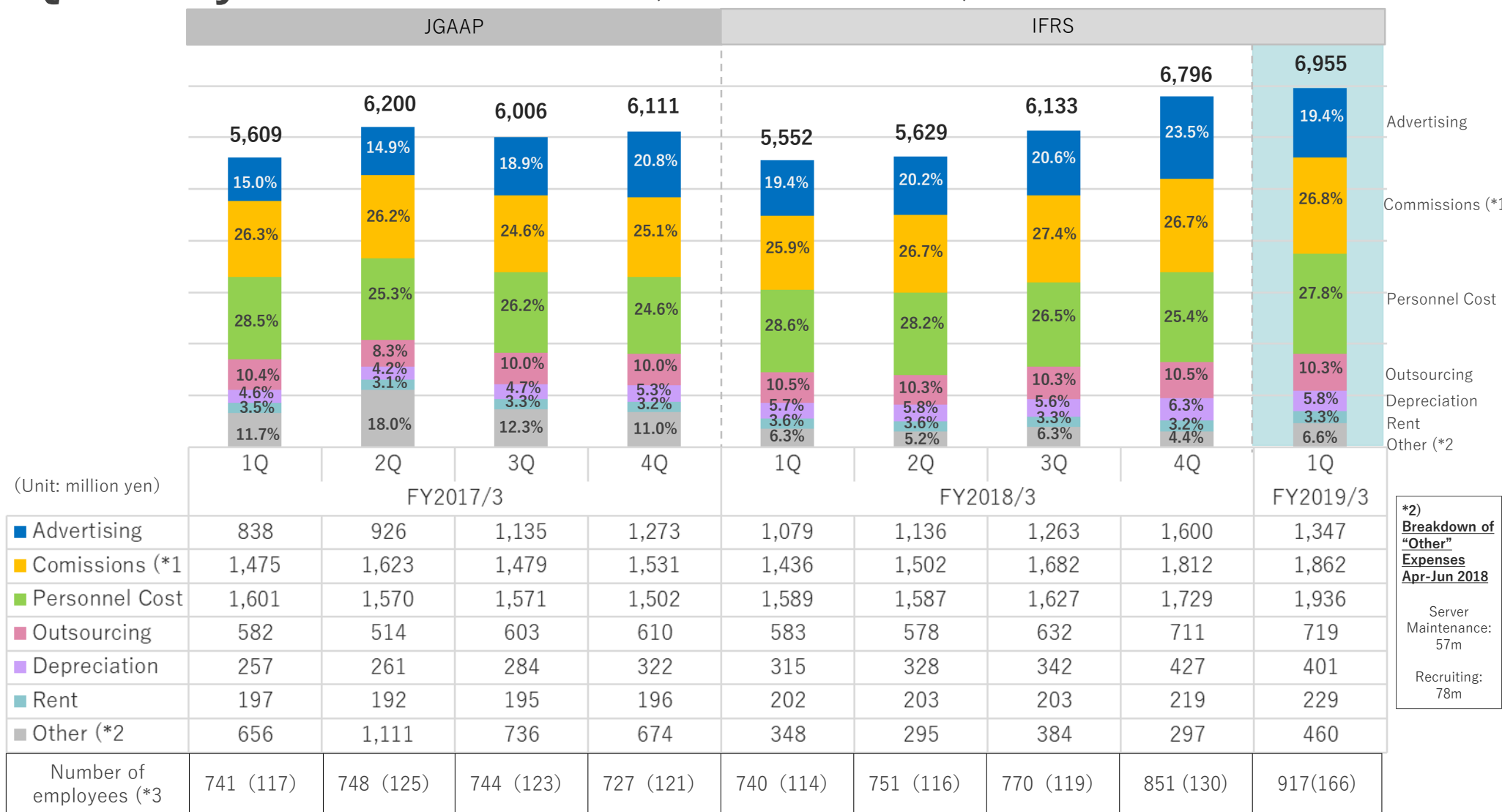
Note: Amounts exclude inter-segment sales and transfers

\*1) As FY 2017/3 applied JGAAP, consolidated subsidiary Time Design's travel product sales included purchase costs.

Due to a voluntary adoption of IFRS as of FY2018/3, it's sales are now recorded on a net basis.

Consolidated sales, for FY2017/3 was as follows: 1Q: 10,189 million yen, 2Q: 10,633 million yen, 3Q: 11,096 million yen, 4Q: 11,547 million yen.

# Quarterly Cost Breakdown (Consolidated)



Note:

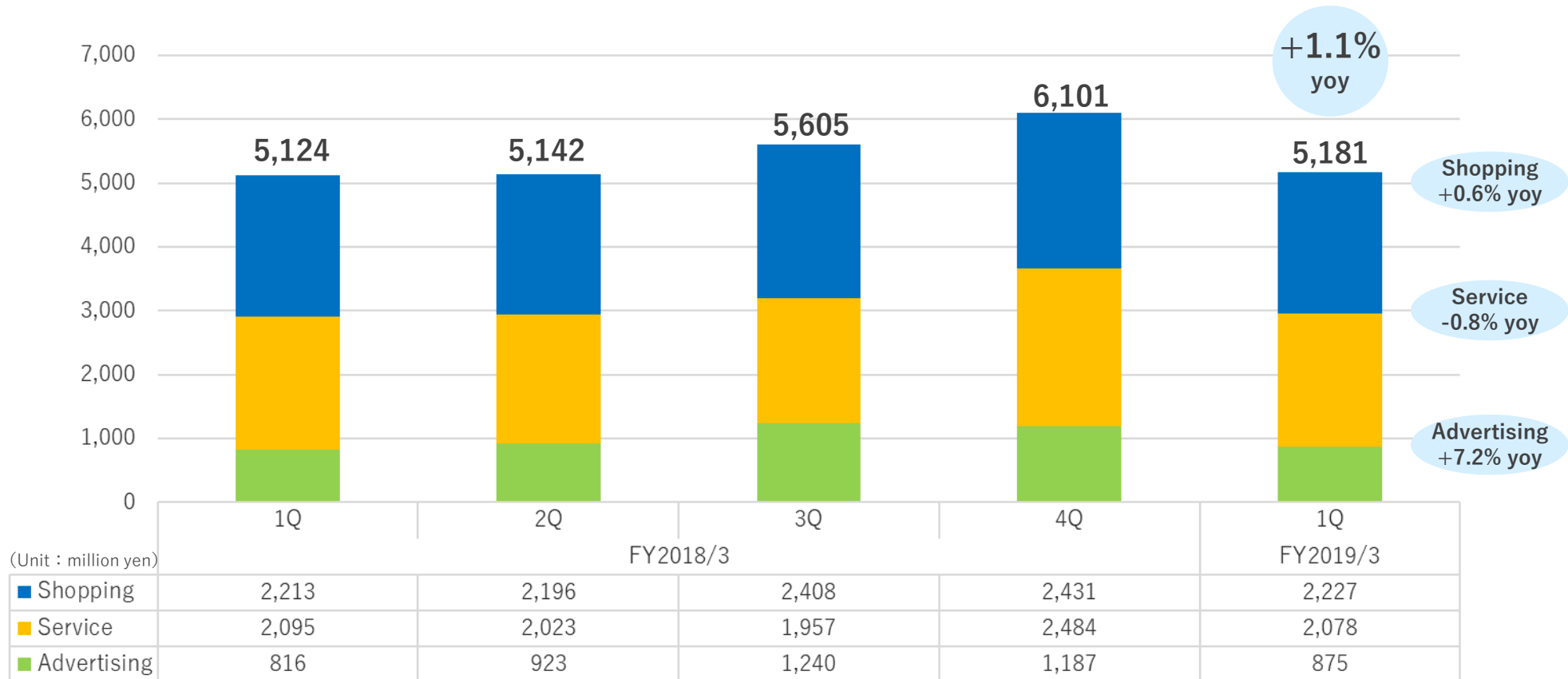
\*1) Commissions = various commissions paid + Advertising agency commissions \*2) Due to a voluntary adoption of IFRS as of FY2018/3, consolidated subsidiary Time Design's sales are now recorded on a net basis. \*3) The number of regular employees, with the average number of temporary employees for each quarter shown separately in parentheses.

# Kakaku.com

# Kakaku.com: Overview

- Due to strong results in ad revenue, sales for Kakaku.com were 5,181 million yen, up by 1.1% yoy.
- The number of Kakaku.com's monthly users was 56.64m (as of June 2018)

## Kakaku.com Quarterly Sales Trend (IFRS)



Note: The number of monthly users is the number of people who visited the site on a browser basis. A user who visited the site multiple times over a month is counted as one.

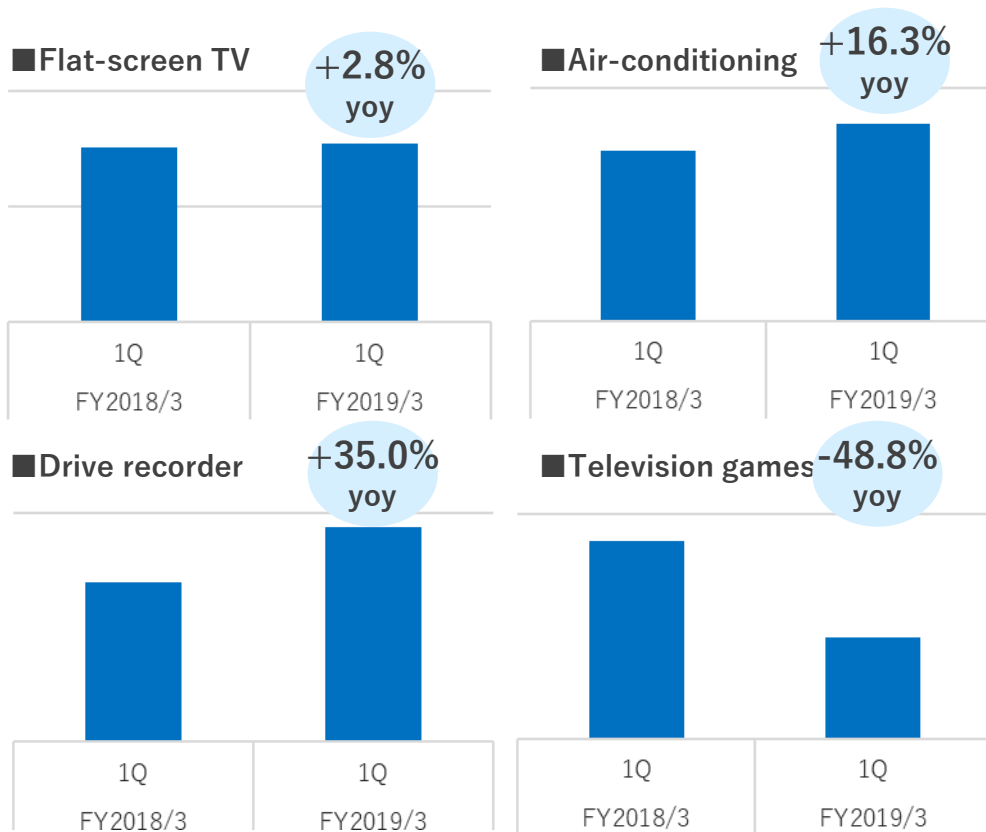


# Kakaku.com: Shopping Segment

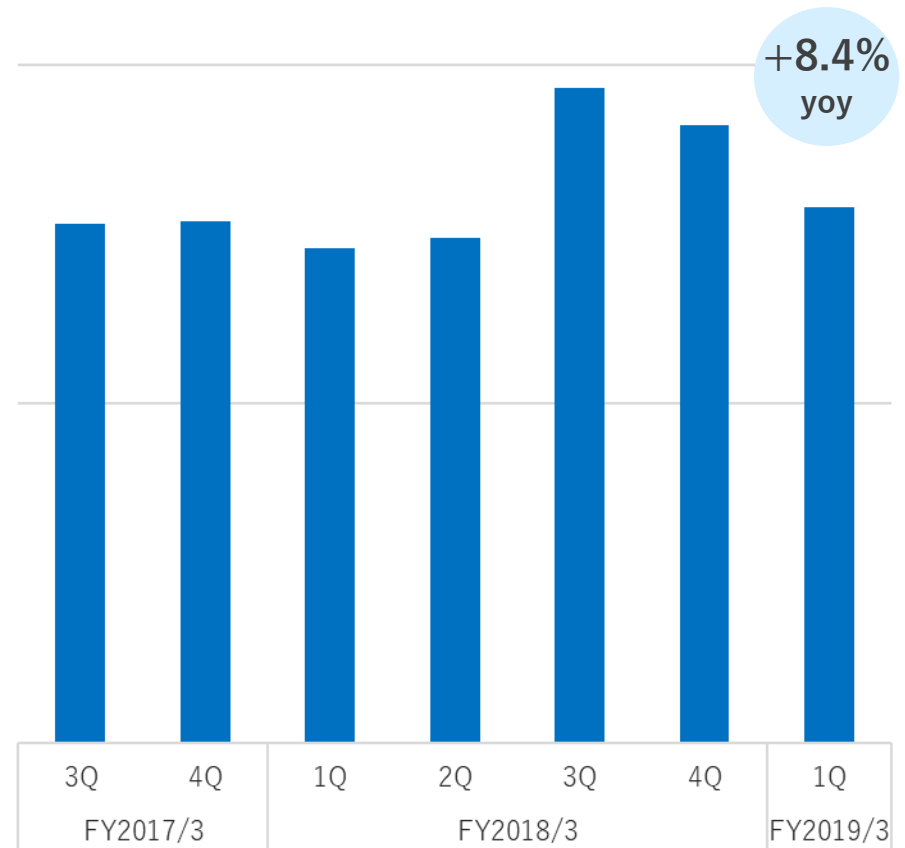
- Positive trend overall, with higher commissions for durables and growing GMV for consumables, but due to a drop in commissions for consumables, only limited sales growth of +0.6% yoy, with 2,227 million yen.

## «Durables» Average user no. for popular products

The number of users searching for popular products is still growing, but the number of users searching for television games, has dropped significantly since last year.



## «Consumables» GMV

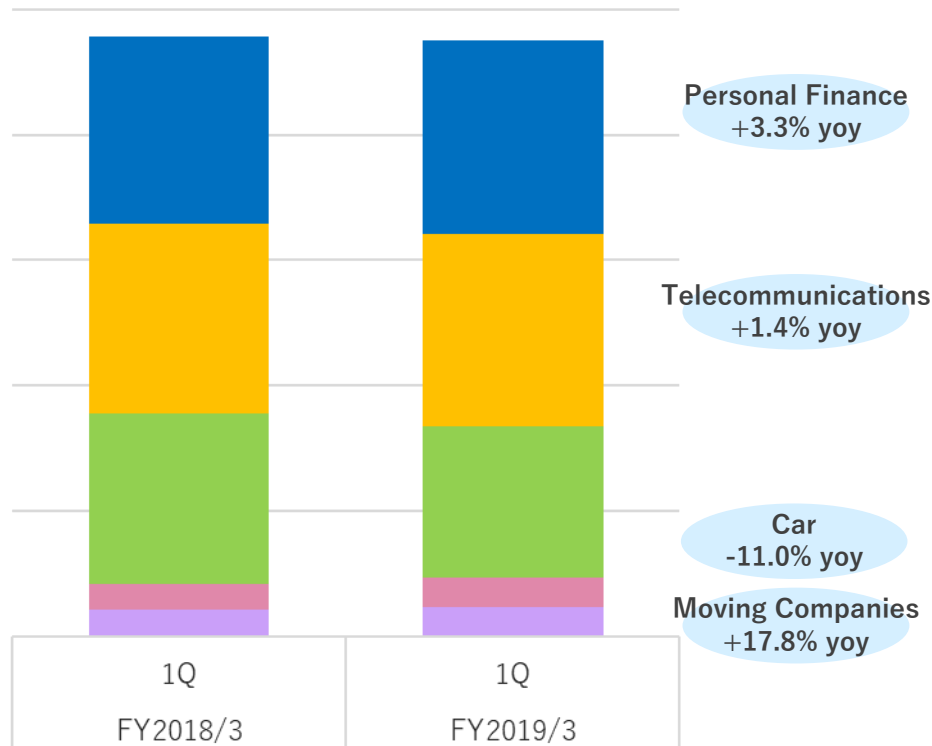


# Kakaku.com: Other Segments

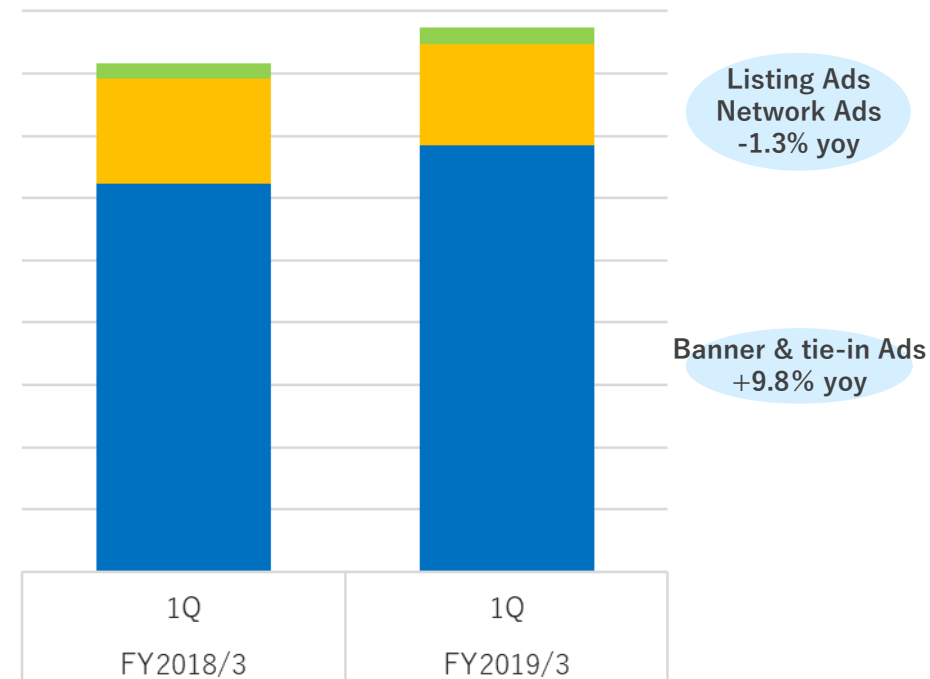
- Comparison of credit cards and overseas wi-fi services were growth drivers for the service segment, but due to weak results in the comparison of card loans and car insurances, sales dropped by 0.8% yoy, to 2,078 million yen.
- Due to an increase in advertising clients, total advertising sales for Kakaku.com were up by 7.2 % yoy, to 875 million yen.

## Service Segment: Sales by Category

Growing revenue from comparison of wi-fi services, credit cards and moving services



## Advertising Segment: Sales by Category



# Kakaku.com: Outlook

- Provide video content, in addition to user reviews and articles.
- Release of Crypto Compass, a website dedicated to providing information on crypto currencies.

## 《Richer Content》 Product Videos

Providing users with richer content, in the form of product related videos



## 《Crypto Compass》 New Service Release

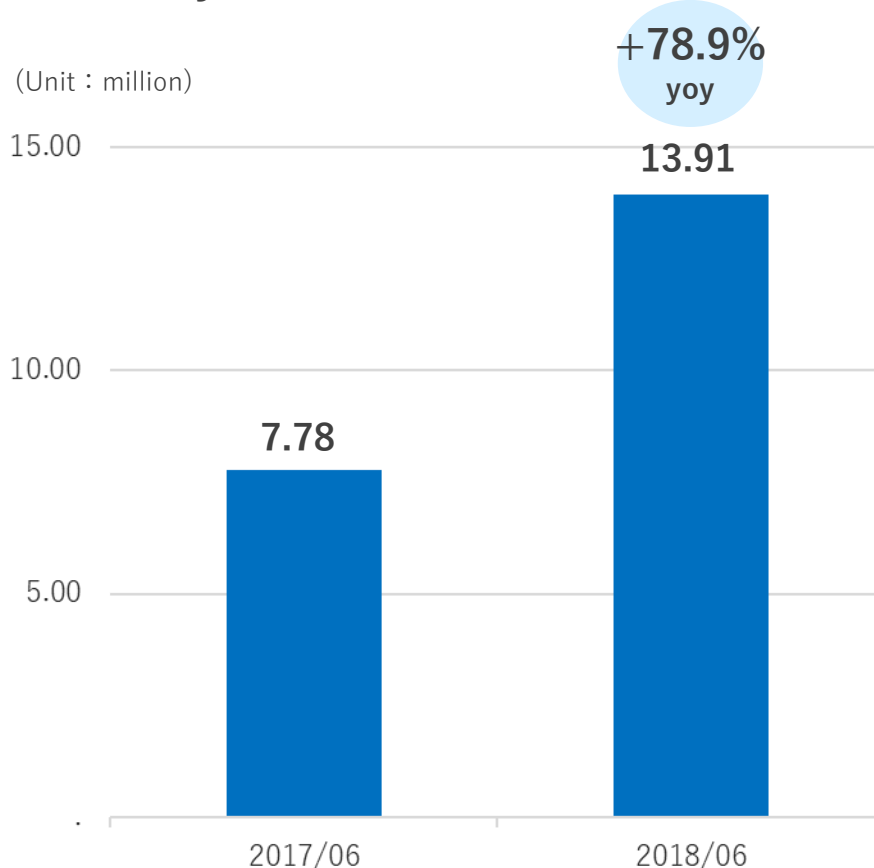
Site providing everything from basic information as well as the newest trends on crypto currencies and blockchain, provided by experts in this field.



# Priceprice.com

- Three-country total number of users was 13.91 million, +78.9% yoy (as of June 2018)
- Priceprice.com India to close down.

## 3 Country Total Number of Users



Note: - 3 country total consists of Indonesia, Philippines and Thailand

- The number of monthly users is the number of people who visited the site on a browser basis. A user who visited the site multiple times over a month is counted as one.

## Service improvements by country

### ■ Indonesia

Start of monetization through ads and affiliate networks

### ■ Philippines and Thailand

Content improvement to capture more users

### ■ India

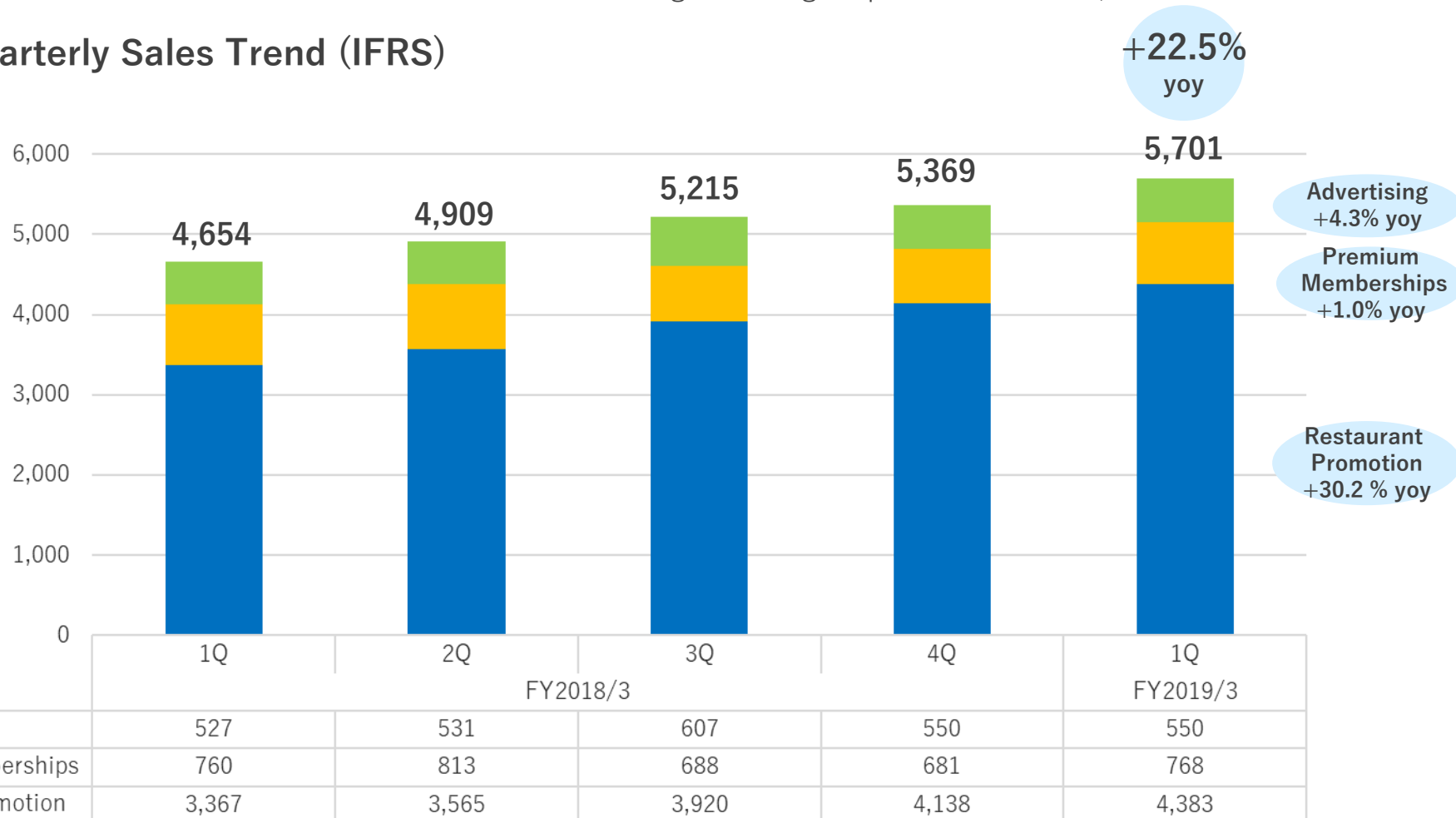
Planned closing, due to low market share and limited profitability

# Tabelog

# Tabelog: Overview

- Due to positive results in the restaurant promotion segment, Tabelog's sales were up by 22.5%, with 5,701 million yen.
- The number of monthly users was 154.19 million (as of June 2018).
- The cumulative number of online seat reservations made through Tabelog surpassed 40 million, as of June 2018.

## Tabelog Quarterly Sales Trend (IFRS)



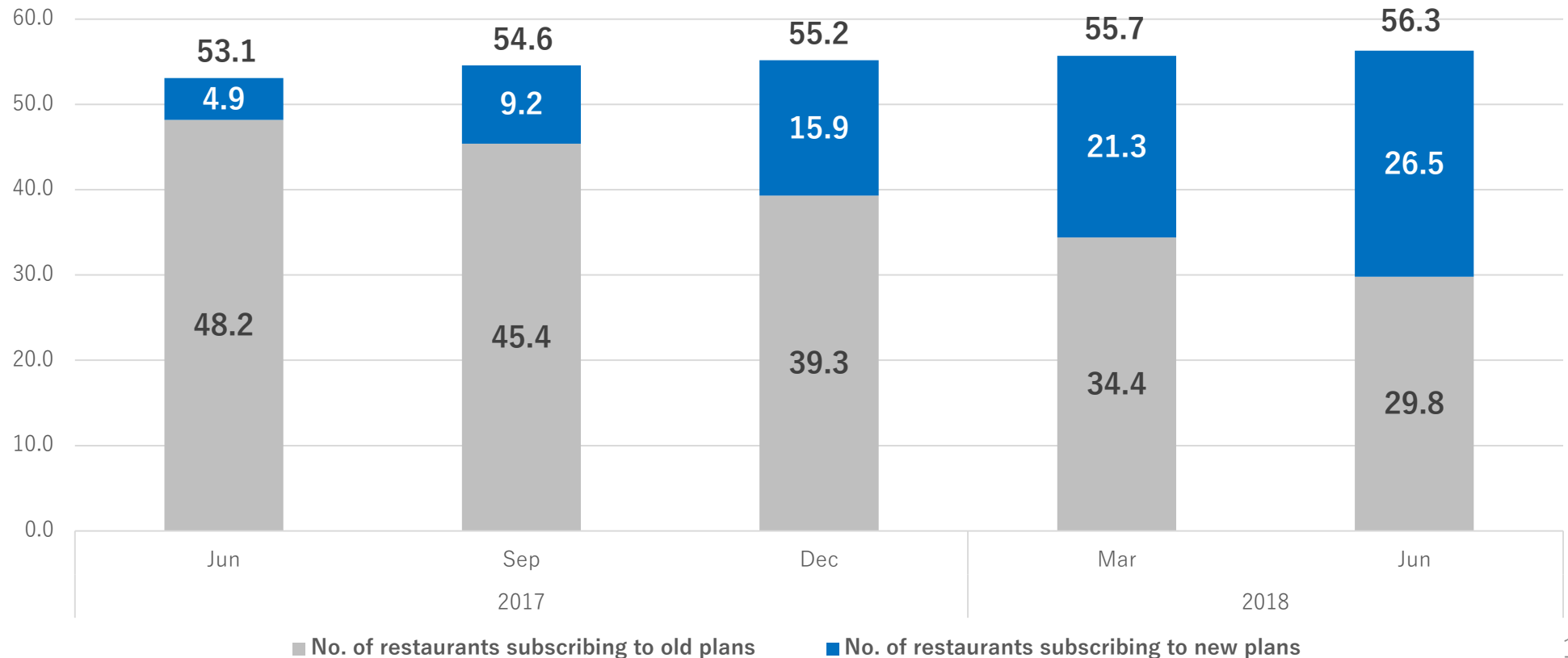
Note: The number of monthly users is the number of people who visited the site on a browser basis. A user who visited the site multiple times over a month is counted as one.

# Tabelog: Restaurant Promotion - No. of Fee-Paying Restaurants

- Due to the growing number of new subscriptions, coupled with a high number of restaurants switching from the old plans, the number of restaurants currently subscribing to the new plans has grown to 26,500, bringing the total to 56,300 fee-paying restaurants.

## Breakdown of Fee-Paying Restaurants

(Unit : thousand)

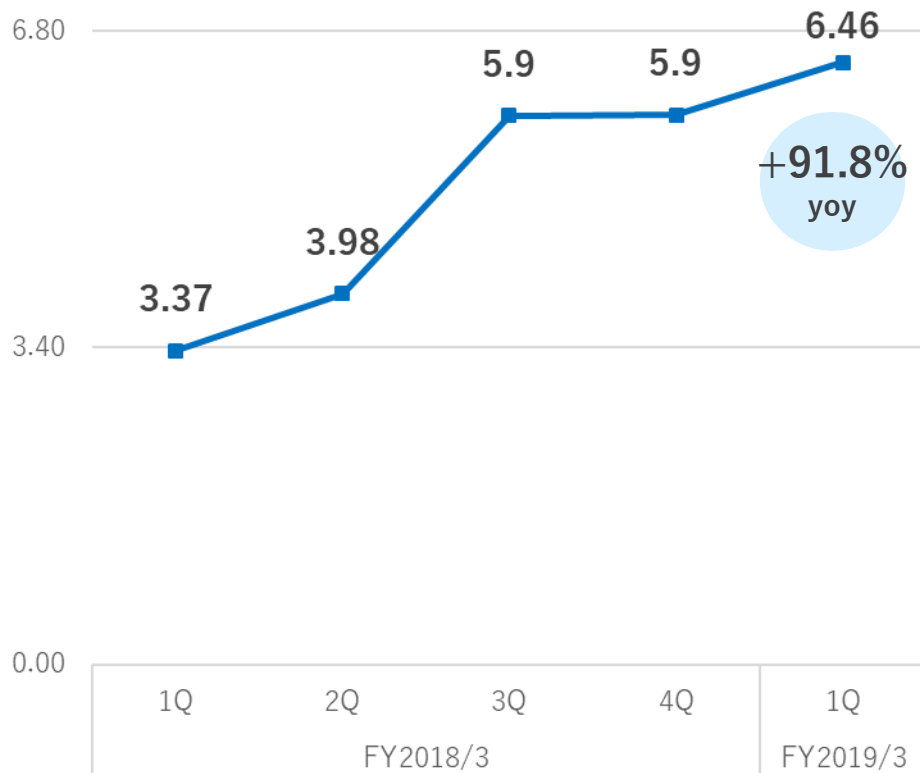


# Tabelog: Restaurant Promotion - Online Reservation Growth

- As more restaurants are offering online reservations, the quarterly total of seat reservations increased to 6.46 million, +91.8% yoy.
- Quarterly average of monthly revenue per restaurant reached 25,900 yen, surpassing company targets.

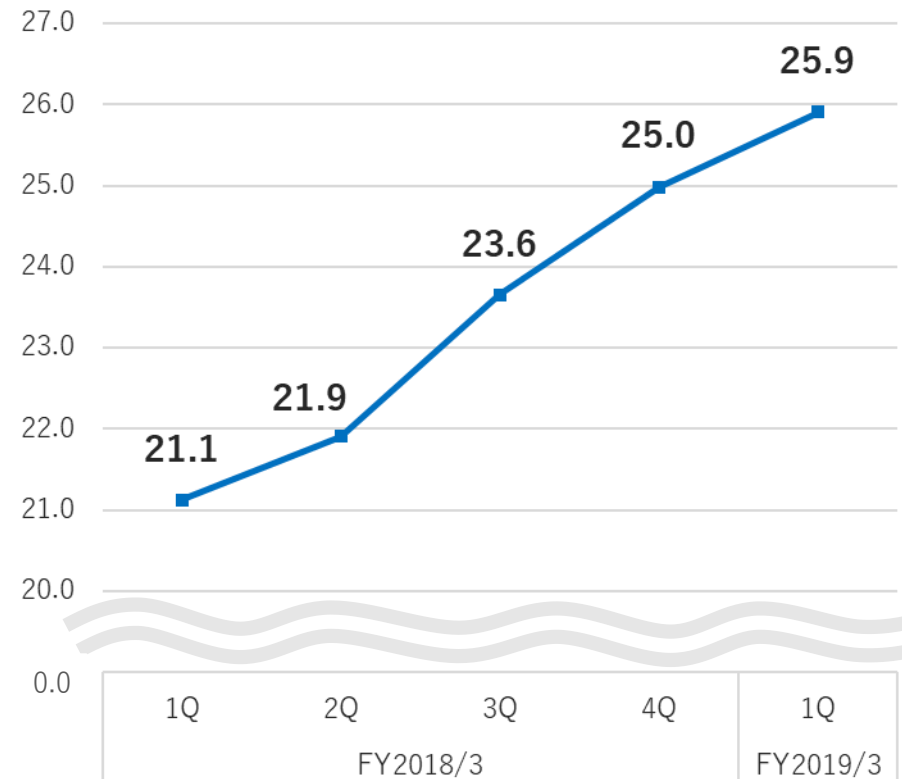
## Number of seat reservations (Quarterly Total)

(Unit : million seats)



## Monthly revenue per restaurant (Quarterly average)

(Unit : thousand yen)





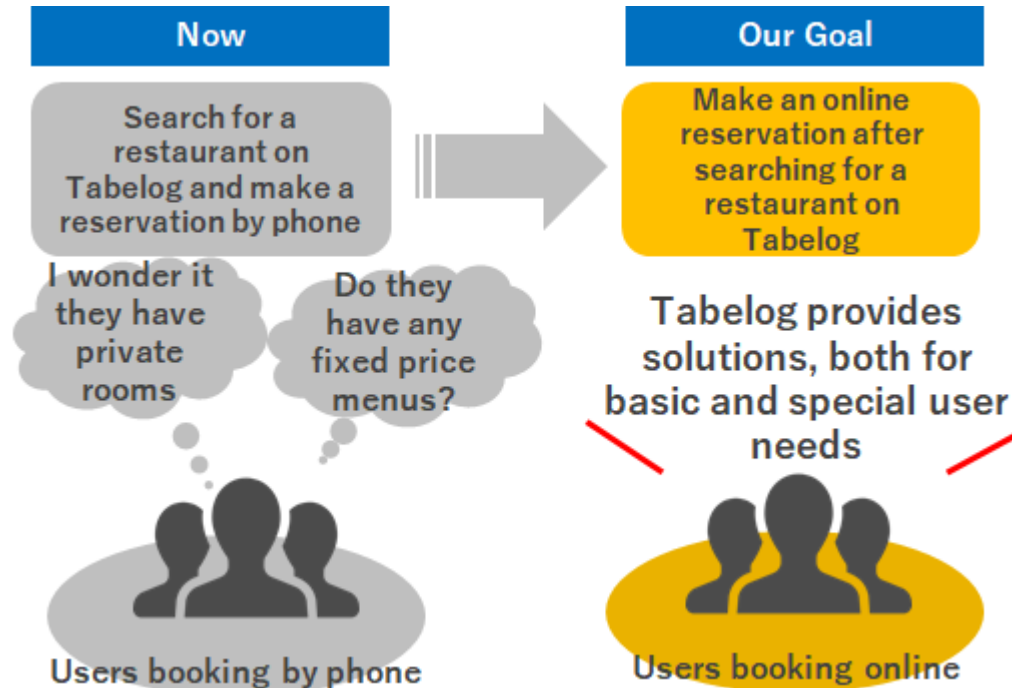


# Tabelog: Outlook

- In order to drive online reservations, Tabelog will continue to focus on providing restaurant information and improving its functionality.
- Rolling out of various initiatives, such as collaborative campaigns

## «Richer Content» Restaurant information and greater functionality

To improve the online reservation experience, Tabelog will continue to provide rich information, such as detailed menus and seat availability, while at the same time improving its functionality in catering to users' reservation needs.



## New Initiative

Collaboration with START TODAY CO.,LTD., operating company of fashion eCommerce site ZOZOTOWN: Customers, who shop more than 5,000 yen on ZOZOTOWN, receive Tabelog's Special One Coin Lunch Coupon Booklet as a gift.

### ■ Tabelog's Special One Coin Lunch Coupon Booklet



### ■ Coupon Page in the Booklet

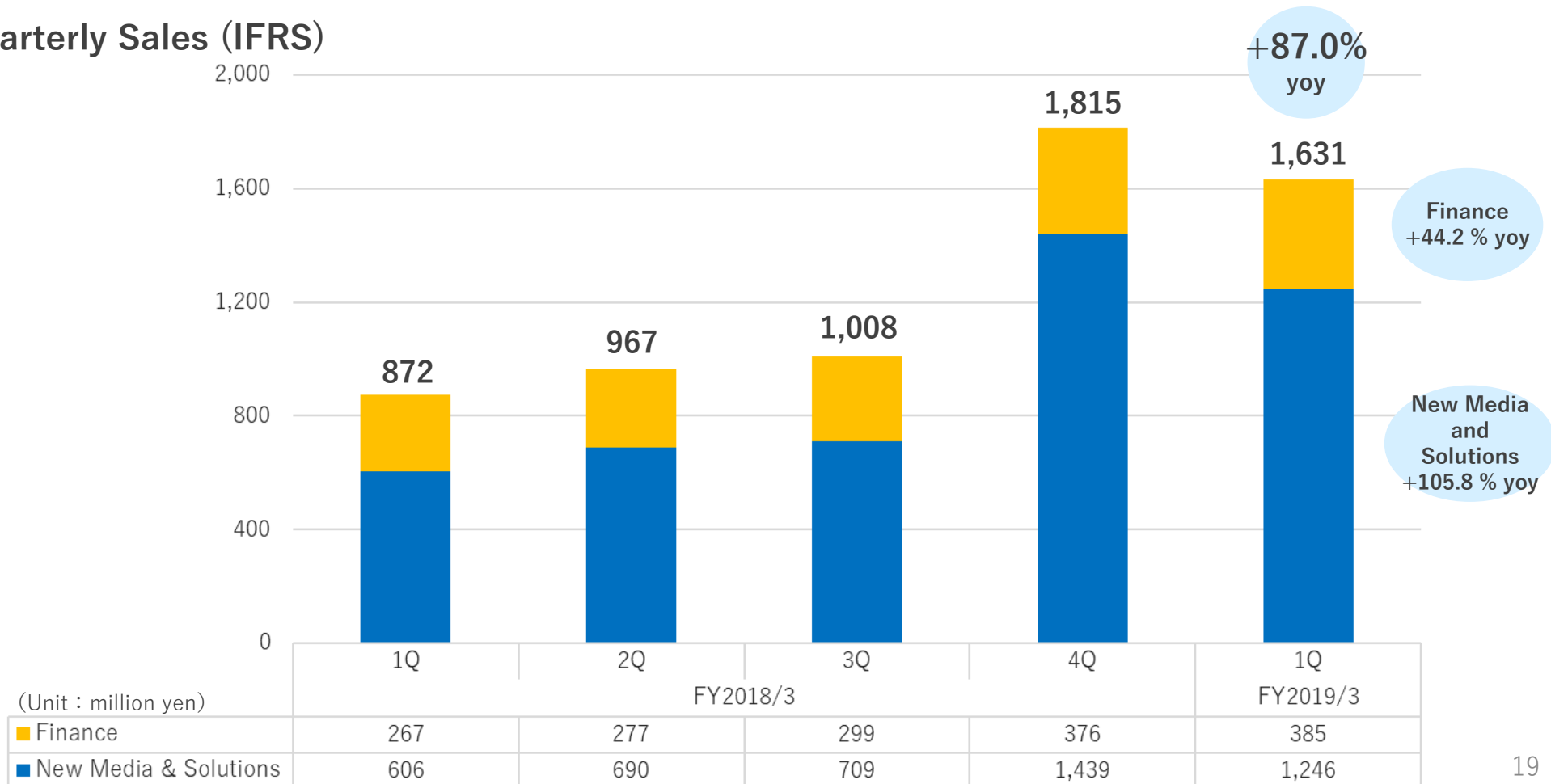


# New Media and Solutions / Finance

# New Media and Solutions / Finance

- Due to positive results from Kinarino and Kyujin Box, the consolidation of LCL and gaie as of last Quarter, coupled with strong results in the finance business, sales in the New Media and Solutions Segment were 1,631 million yen, up 87% year-on-year.

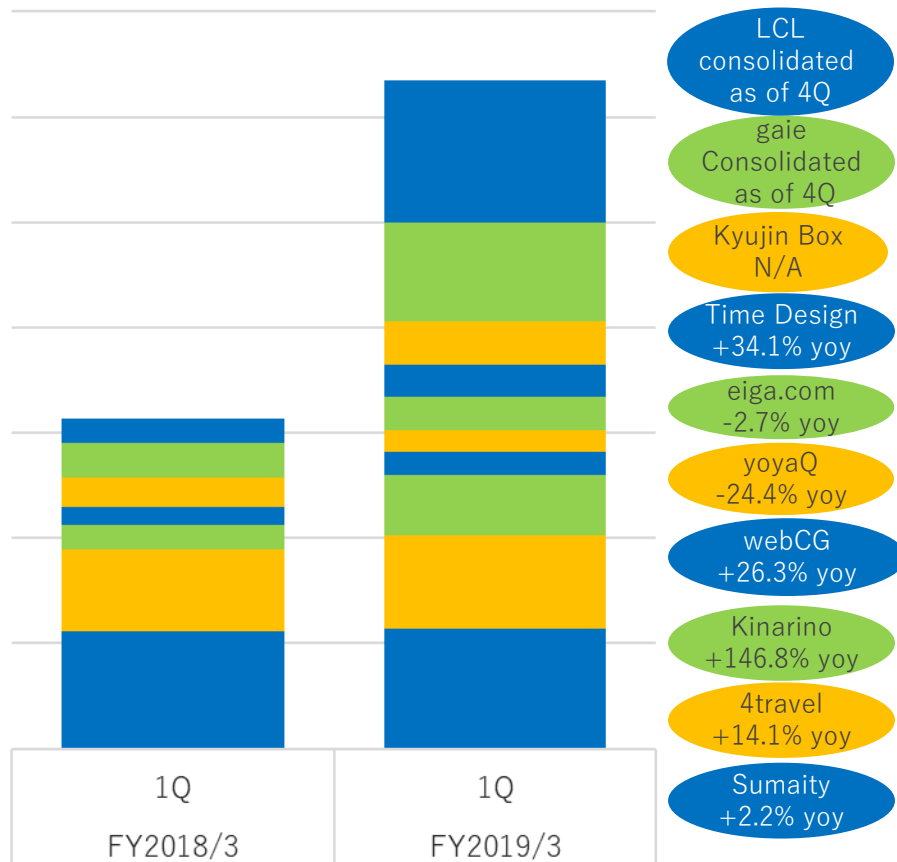
## Quarterly Sales (IFRS)



# New Media and Solutions

- Time Design, webCG, Kinarino and 4travel, all showed revenue growth.
- Kyujin Box started monetizing in Q3 of last fiscal year and sales have been growing steadily, up by 86% qoq.

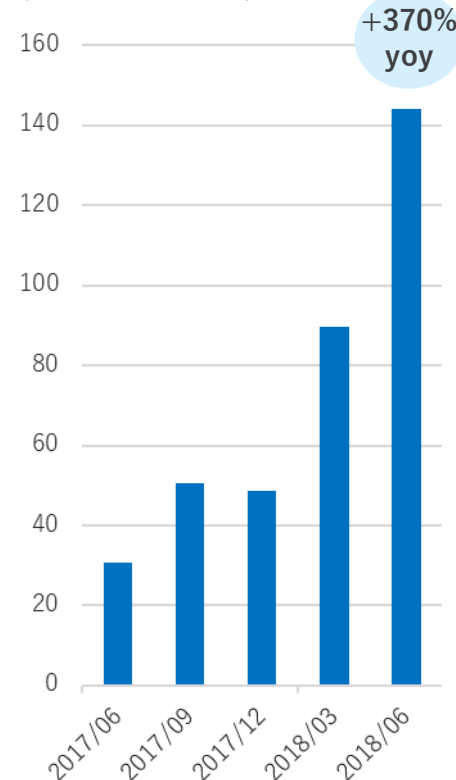
## Sales by media (IFRS)



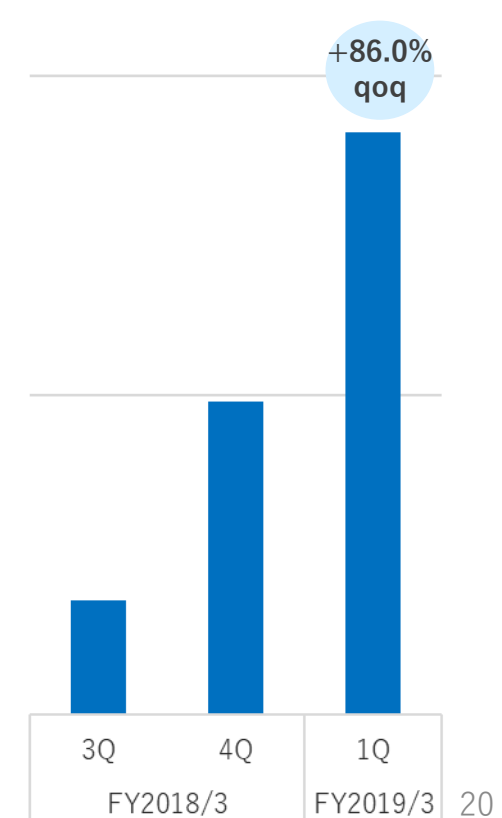
## 《Kyujin Box》 Monthly users and quarterly sales

### ■ Kyujin Box

(Unit : ten thousand)



### ■ Sales trend



# New Media and Solutions: Outlook

- icotto undergoes site renewal and continues to enhance its content as an online travel media focusing on overnight trips.
- Enhance existing businesses while exploring possibilities in new business domains.

## 《icotto》 Site Renewal

icotto is rebranded as an online media helping users discover travel destinations for overnight trips to “refresh their mind”

### ■PC Version

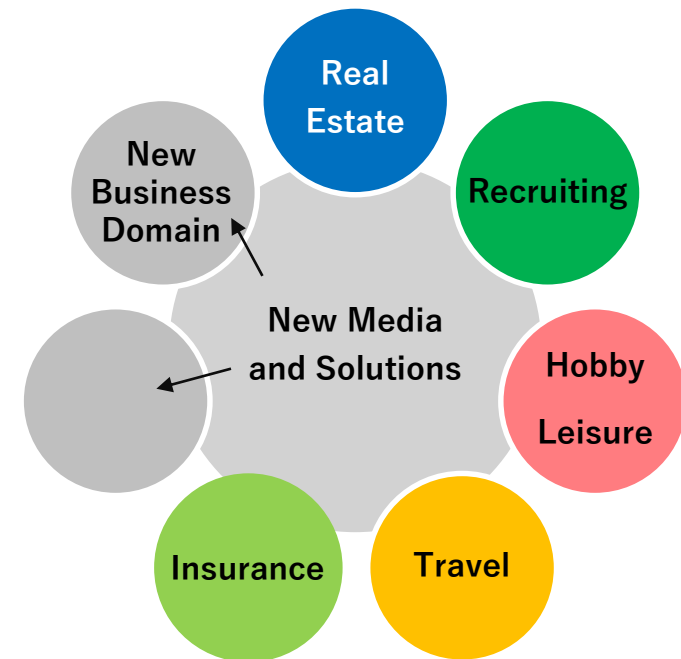


### ■SP Version



## Expanding business portfolio into a variety of business domains

- Content improvement and monetization of existing businesses, based on their growth phase.
- Continue to explore business opportunities in new domains.



# Capital alliance and business alliance basic agreements with KDDI

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- We have entered into a capital/business alliance with KDDI, which acquired former principal shareholder Dentsu's entire Kakaku.com shareholdings in August 2018. To continue to provide services of value to our users, we will partner with KDDI in each other's business domains.
- The alliance will not have any effect with either company's relationships with other business partners/collaborators.

## ■ Content of business alliance discussions with KDDI

**Promotion of businesses that capitalize on both companies' strengths, including online advertising and digital marketing businesses**

**Potential business expansion through service collaborations between the two companies**

**Potential development of new businesses that utilize various assets of both companies**

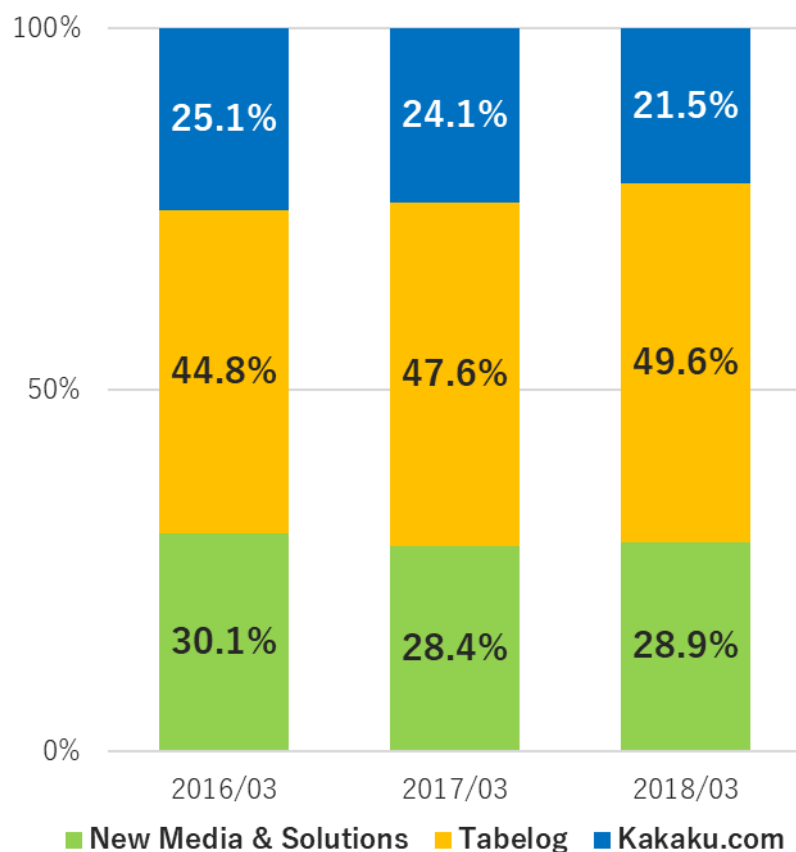


# Appendix

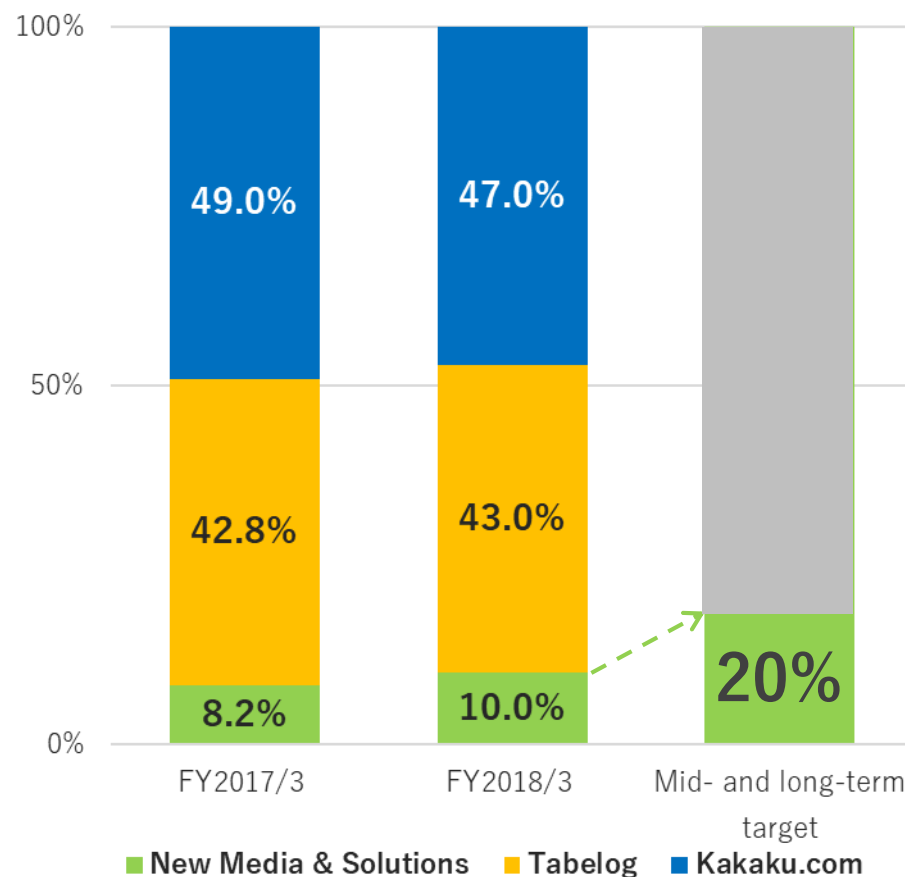
# Kakaku.com Group Strategy

- Continued strong growth for Kakaku.com and Tabelog.
- Raise sales ratio of new media and finance business segment to 20% in the mid- to long-term.

Monthly User Ratio by Business Segment (%)



Sales Ratio by Business Segment (IFRS)



Note: The number of monthly users is the number of people who visited the site on a browser basis. A user who visited the site multiple times over a month is counted as one.

# Kakaku.com Group – Future Outlook

## ■ Kakaku.com

### **Enhance value proposition as a shopping assistance site**

Increase articles written by experts as well as video content and expand initiatives for online to offline user acquisitions

## ■ Tabelog

### **Become No.1 gourmet site for online reservations**

Increase no. of restaurants subscribing to the new pricing plans and increase no. of online reservations

## ■ New Media and Solutions / Finance

**Enhance content of current services based on their growth stage and expand into new business domains**

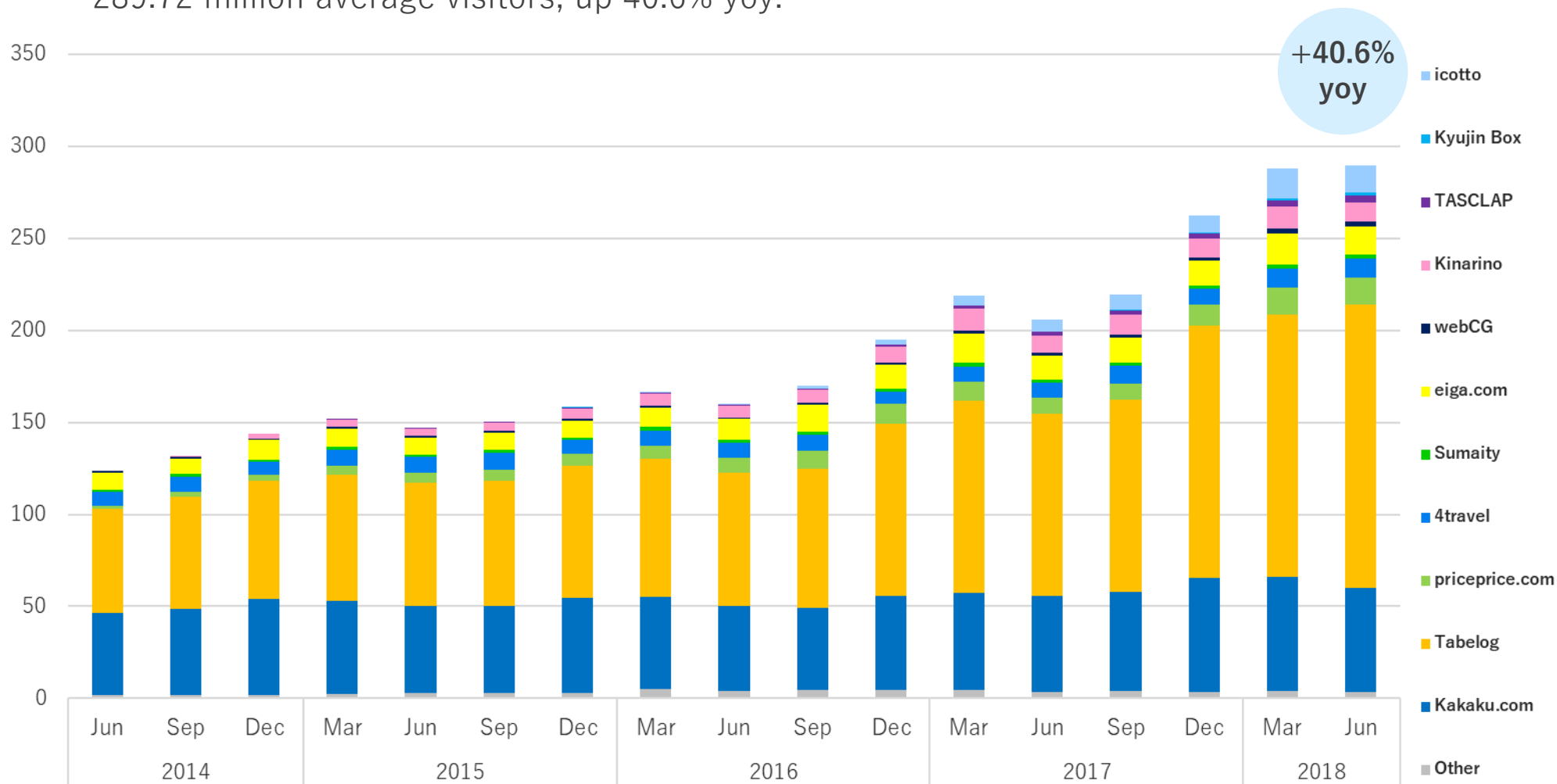
Increase no. of users and expand monetization

# Business Divisions and Segments

Type	Business	Segment	Description
Internet Media	Kakaku.com	Shopping	Commission from registered shops based on the number of clicks and sales performance
		Service	Commission based on the number of contracts for broadband networks et al. Commission based on request for estimates and/or information materials for car insurances, personal finance services or used cars.
		Advertising	Advertising income from banner and text ads, content and search based advertising on the Kakaku.com site/app
	Tabelog	Restaurant Promotion	Monthly fees for promotional services for restaurants as well as commissions based on online reservations.
		Premium Memberships	User fees for access to premium content.
		Advertising	Advertising income from banner and text ads, content and search based advertising on the Tabelog site/app
	Other	New Media Solution	Revenue generated by sites and services, such as Sumaito, LCL, 4travel, Kinarino, TimeDesign or Kyujin Box
Finance		Finance	Commission from general insurance business for life insurances, non-life insurance, etc.

# Total Accumulated Traffic for Kakaku.com Group

■ Total accumulated monthly traffic for all sites of Kakaku.com sites as of June 2018, was 289.72 million average visitors, up 40.6% yoy.



Note: As of November 2016, the Company changed the measurement logic in order to reflect the diversification of web pages on mobile devices.

# User Profile

## Male- Female Ratio

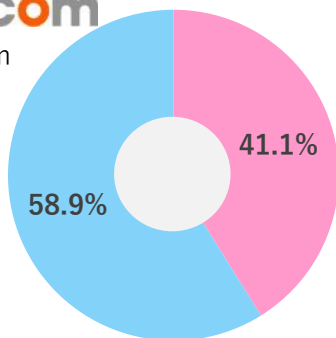
Kakaku.com has more male users, while Kinarino users are predominately women ,  
Tabelog is used almost equally by men and women.



Male Female

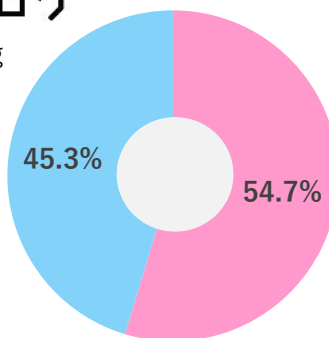
価格.com

Kakaku.com



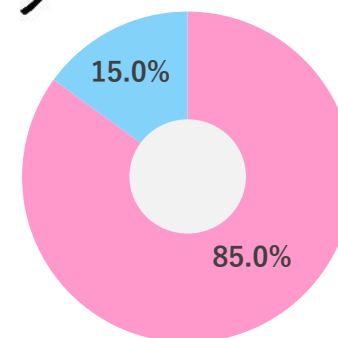
食べログ

Tabelog



キナリノ

Kinarino



Source: Nielsen NetRatings (Home&Work Data), Macromill Survey

## User distribution by device

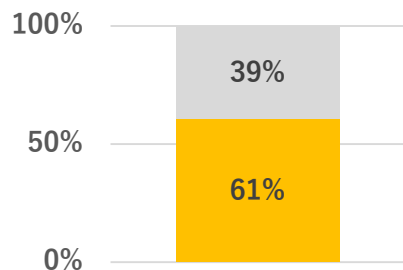
The majority of users accesses Kakaku.com, Tabelog and Kinarino from their smartphones.



PC SP

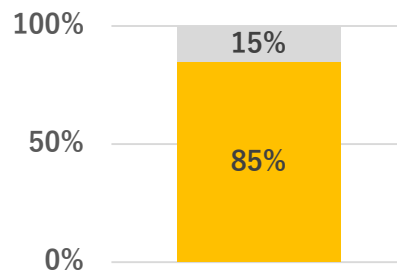
価格.com

Kakaku.com



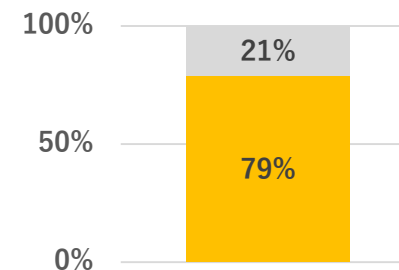
食べログ

Tabelog



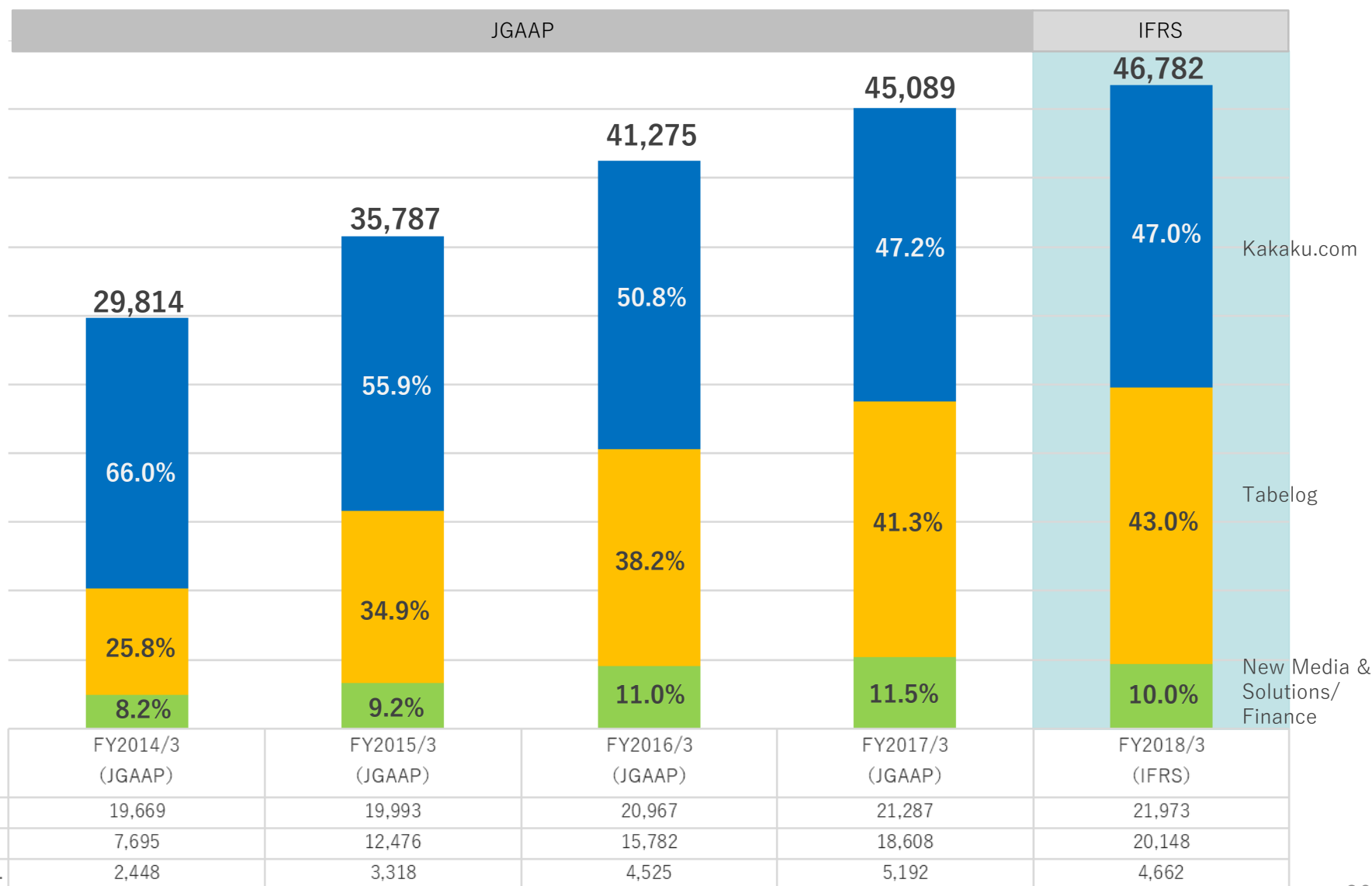
キナリノ

Kinarino



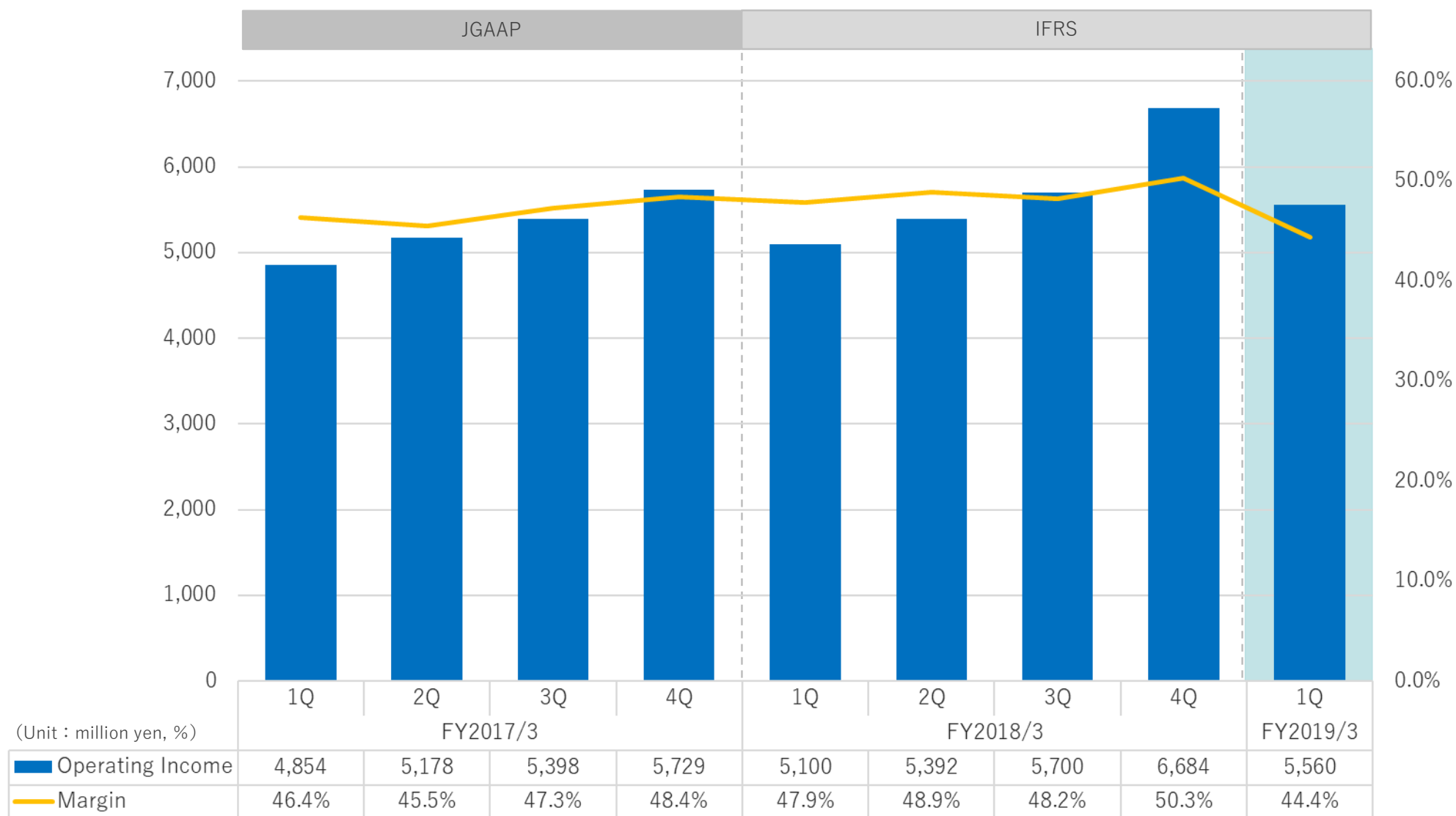
Source: Adobe Marketing

# Sales Contribution by Business Segment by Fiscal Year (Consolidated)



Note: Amounts exclude inter-segment sales and transfers.

# Operating Income by Quarter (Consolidated)





# Kakaku.com Group Service Overview

<p>◆[Kakaku.com] Purchase support service</p> 	<p>◆[tabelog] Restaurant discovery and reservation</p> 	<p>◆[yoyaQ.com] Hotel deals and last minute discounts</p> 
<p>◆[PHOTOHITO] Photo sharing community</p> 	<p>◆[4travel] Travel review and comparison site</p> 	<p>◆[eiga.com] Movie discovery platform</p> 
<p>◆[Sumaity] Online residential real estate portal</p> 	<p>◆[Kakaku.com Insurance] Insurance consulting</p> 	<p>◆[Priceprice.com] Shopping support site for Southeast Asia</p> 
<p>◆Time Design Inc. Dynamic package reservation system</p> 	<p>◆[Kinarino] Lifestyle media</p> 	<p>◆[web CG] Online media for car lovers</p> 
<p>◆[Kyujin-box] Job classifieds</p> 	<p>◆[icotto] Online Travel Information Media</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>◆[TASCLAP] Online media for men's fashion</p> 	<p>◆[Yako Bus Hikaku Navi] Highway and overnight bus price comparison</p> 

# Company Profile

■ <b>Company Name</b>	Kakaku.com, Inc.	
■ <b>Address</b>	3-5-7 Ebisu minami, Shibuya-ku, Tokyo 150-0022	
■ <b>Founded</b>	December 1997	
■ <b>Website</b>	<a href="http://corporate.kakaku.com/">http://corporate.kakaku.com/</a>	
■ <b>Share Listing</b>	The First Section of Tokyo Stock Exchange	
■ <b>Stock Code</b>	2371	
■ <b>Related Companies</b>	Kakaku.com Insurance, Inc.	URL: <a href="http://hoken.kakaku.com/insurance/company.html">http://hoken.kakaku.com/insurance/company.html</a>
	4travel, Inc.	URL: <a href="http://4travel.jp/">http://4travel.jp/</a>
	eiga.com, Inc	URL: <a href="http://eiga.com/">http://eiga.com/</a>
	Time Design Co., Ltd.	URL: <a href="http://www.timedesign.co.jp/">http://www.timedesign.co.jp/</a>
	webCG, Inc.	URL: <a href="http://www.webcg.net/">http://www.webcg.net/</a>
	LCL, Inc.	URL: <a href="https://www.lclco.com/">https://www.lclco.com/</a>
	gaie, Inc.	URL: <a href="https://gaie.jp/">https://gaie.jp/</a>
	Catapult Ventures Pte. Ltd.	URL: <a href="https://www.moneysmart.sg/">https://www.moneysmart.sg/</a>
	LoveBonito Holdings Pte. Ltd.	URL: <a href="https://www.lovebonito.com/">https://www.lovebonito.com/</a>

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