



## Results Briefing for 2Q FY2019/3

November 6, 2018

Kakaku.com, Inc.

# Financial Results and Highlights for 1H FY2019/3

# 1H FY2019/3 Consolidated Results (IFRS)

- Positive results with sales for the first half year reaching 25,945 million yen, a target achievement ratio of 106.9%. Operating profits were 11,683 million yen, a target achievement ratio of 102.2%

(Unit : million yen)

	2Q FY2019/3 7/2018-9/2018	yoy	Half- year Results	yoy	1H FY2019/3 Forecast (6 month total)	Achievement Ratio	Full Year Forecast	Achievement Ratio
Sales	13,132	+19.2%	25,645	+18.4%	24,000	106.9%	52,000	49.3%
Operating income	6,123	+13.6%	11,683	+11.3%	11,430	102.2%	25,200	46.4%
Ordinary income	6,075	+12.9%	11,608	+10.8%	11,370	102.1%	25,080	46.3%
Net income attributable to shareholders of the parent company	4,123	+12.7%	7,657	+7.3%	7,750	98.8% (*1)	17,090	44.8%
Operating margin	46.6%	-2.3pts	45.6%	-2.9pts	47.6%	-	48.5%	-

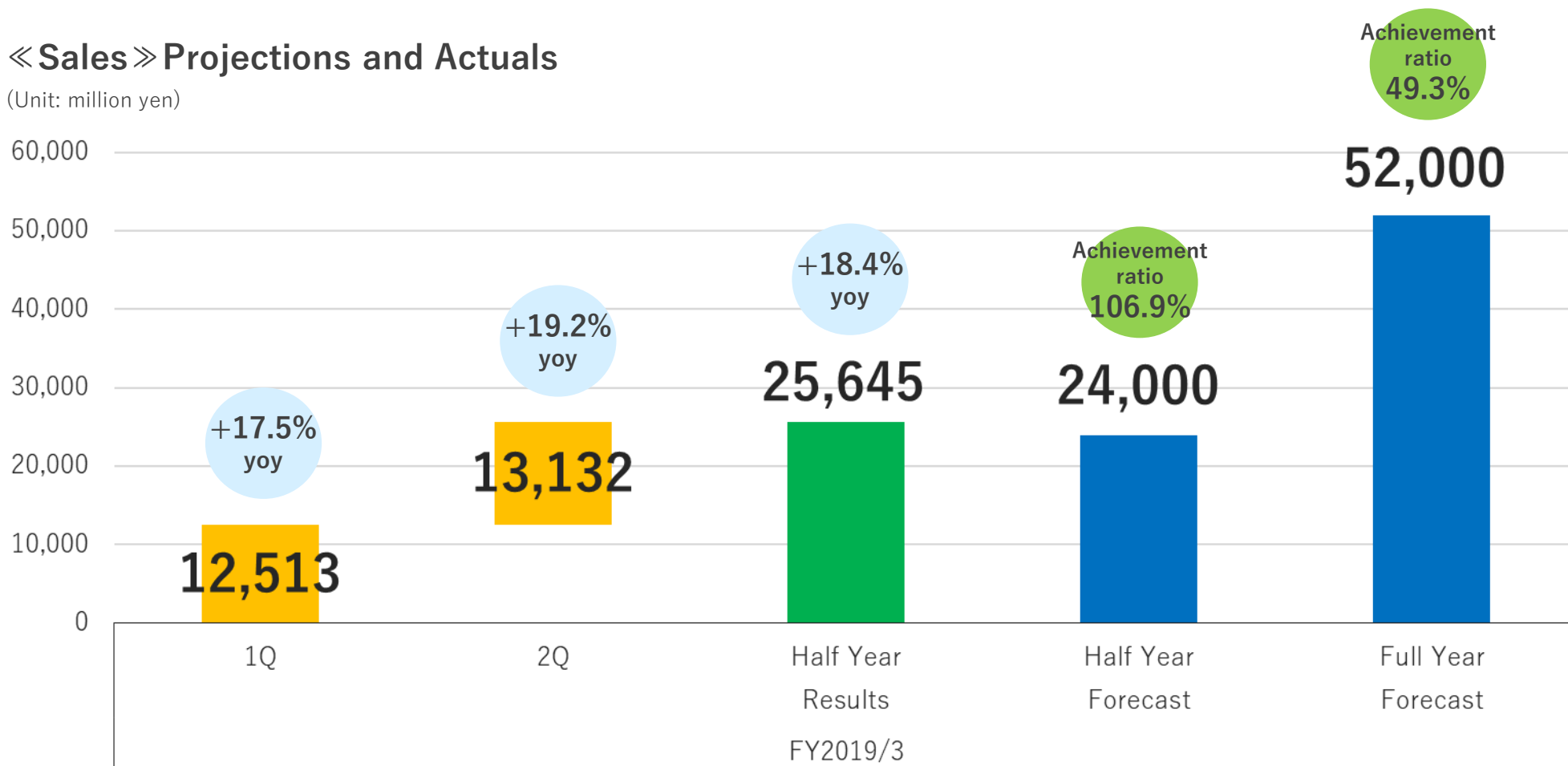
\*1) A one-time recording of 200 million yen in additional taxes in the first quarter was affected.

# 2Q and 1H FY2019/3 Highlights: Sales

- Sales for the first half of this fiscal year were 25,645 million yen (+18.4% yoy), with strong results from Tabelog's restaurant promotion business, Kakaku.com and Tabelog's advertising business, New Media and Solutions, as well as newly consolidated subsidiaries.

## «Sales» Projections and Actuals

(Unit: million yen)



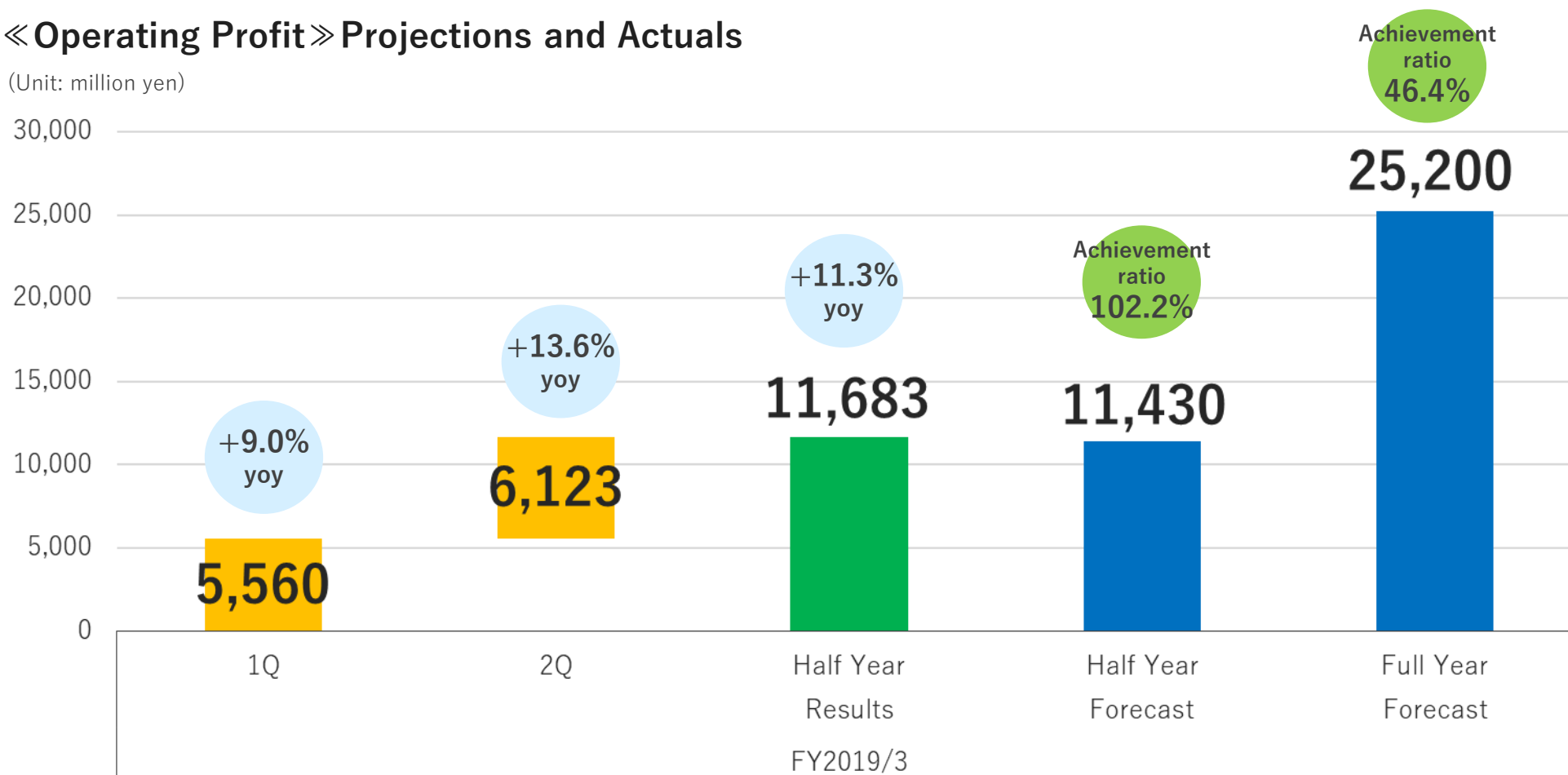
Note: Revenue of companies consolidated as of 4Q 2018/3 (LCL and gaie) are as follows: 1Q 460 million yen, 2Q 674 million yen.

# 2Q and 1H FY2019/3 Highlights: Operating Profit

- Due to revenue growth across all segments, operating profit was 11,683 million yen, up by 11.3% yoy.

## «Operating Profit» Projections and Actuals

(Unit: million yen)



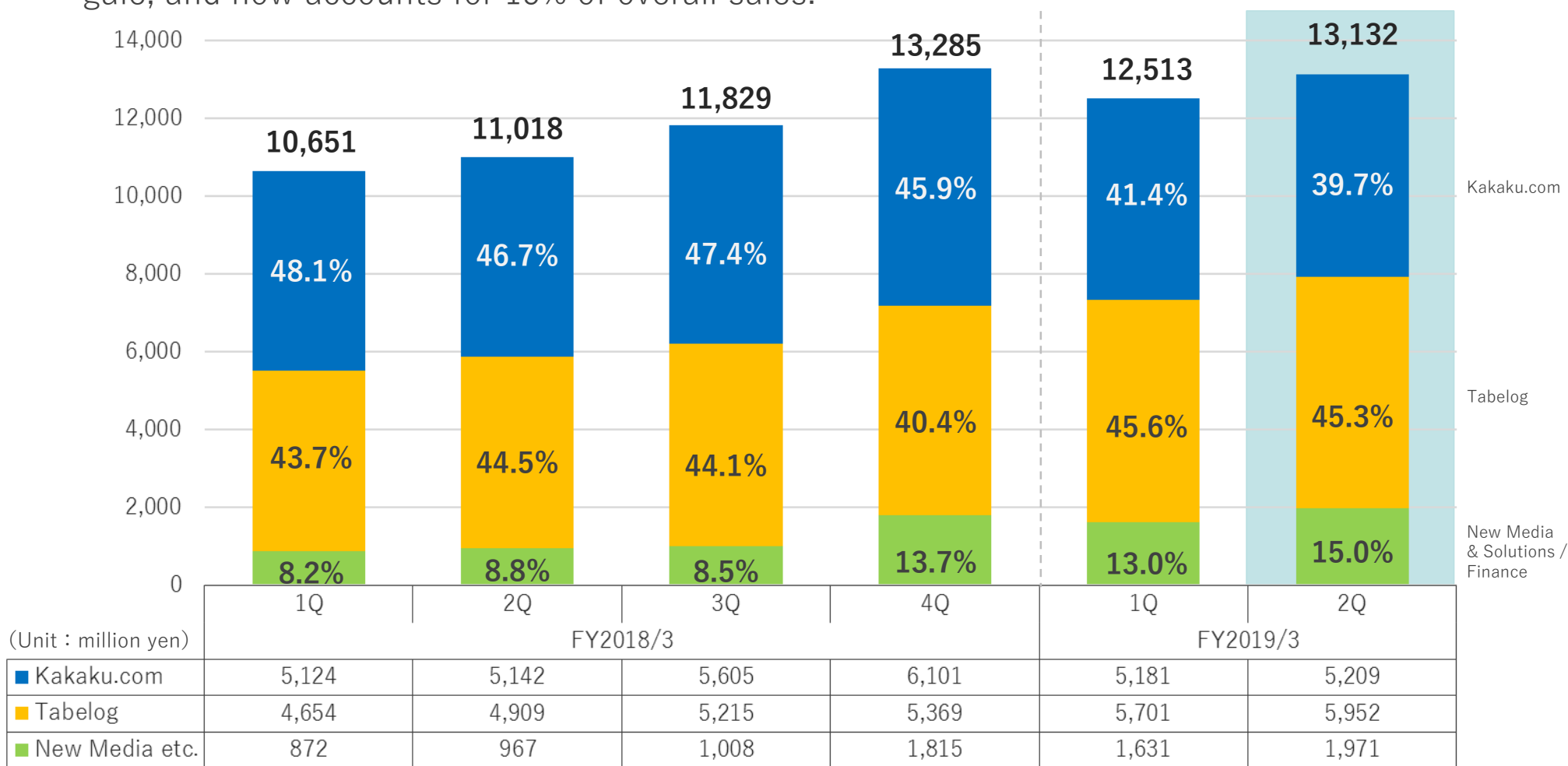
Note: Operating Profit of companies consolidated as of 4Q 2018/3 (LCL and gaie) are as follows: 1Q 146 million yen, 2Q 313 million yen.

# Breakdown of Sales and Cost

## 2Q FY2019/3 (Jul – Sep 2018)

# Quarterly Sales by Business Segment (Consolidated)

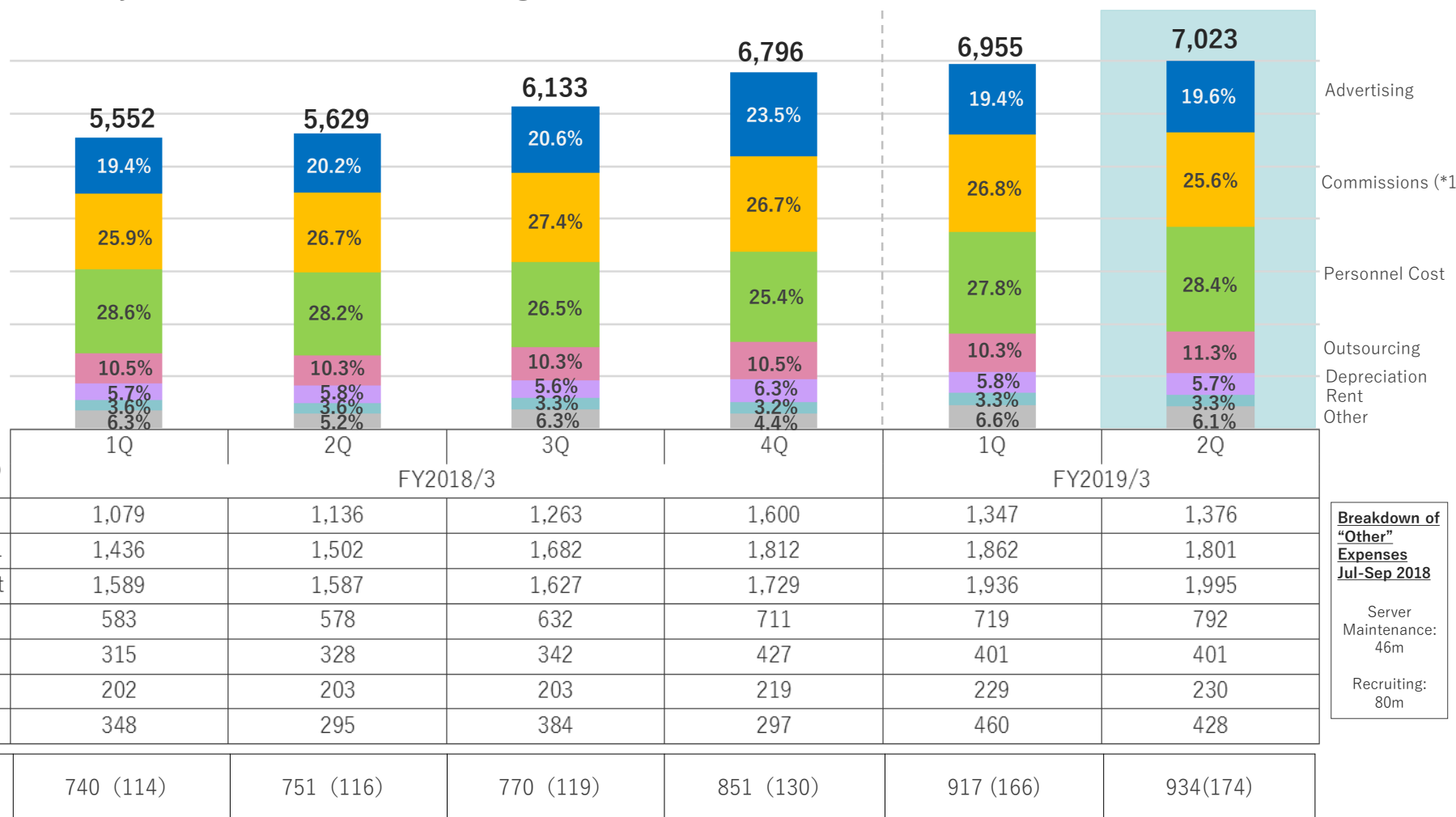
- All business segments saw an uplift in sales. Revenue generated by the New Media Segment profited both from growth of existing businesses as well as large contributions from LCL and gaie, and now accounts for 15% of overall sales.



Note: Amounts exclude inter-segment sales and transfers

# Quarterly Cost Breakdown (Consolidated)

- Personnel Cost went up due to consolidation of fully owned subsidiaries LCL and gaie.
- Increase in system related outsourcing costs.



**Breakdown of "Other" Expenses Jul-Sep 2018**

Server Maintenance: 46m

Recruiting: 80m

\*1) Commissions = 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.

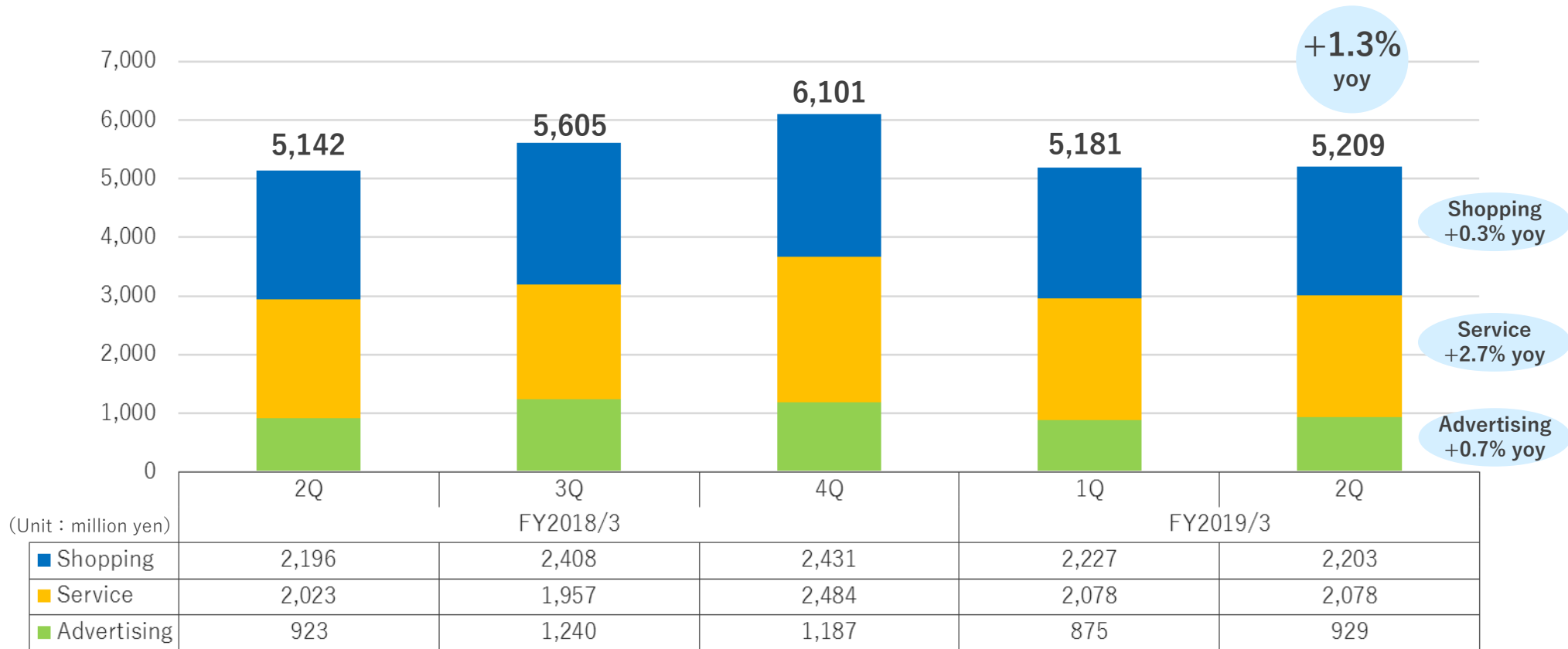


# Kakaku.com

# Kakaku.com: Overview

- Due to strong results in the service segment, sales for Kakaku.com were 5,209 million yen, up by 1.3% yoy.
- The number of Kakaku.com's monthly users was 54.39m. (as of September 2018)

## Kakaku.com Quarterly Sales Trend (IFRS)



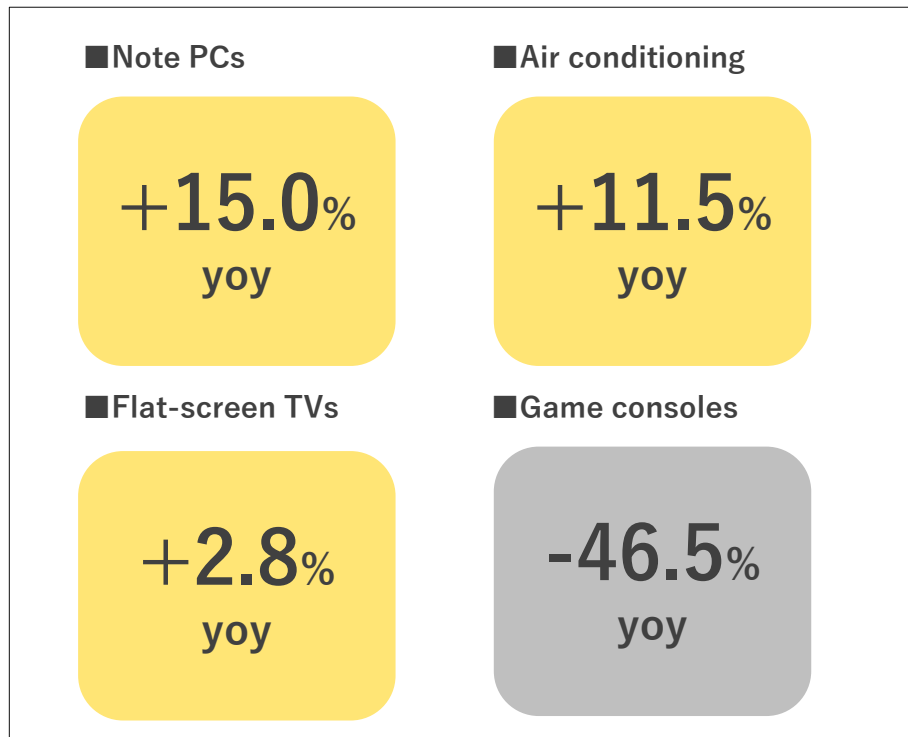
Note: The number of monthly users is the number of people who visited the site on a browser basis. A user who visited the site multiple times over a month is counted as one. 9  
We have changed our measuring method to exclude overlapping users. For detail on our new measuring method, please refer to the notation on page 30.

# Kakaku.com: Shopping Segment

- Revenue for the shopping segment were 2,203 million, up 0.3% yoy.
- Sales from durables were 3.8 % higher yoy, due to higher commissions for household electronics and PCs.
- A shift in advertising cost from consumables to durables, which have higher profitability, resulted in lower sales from consumables.

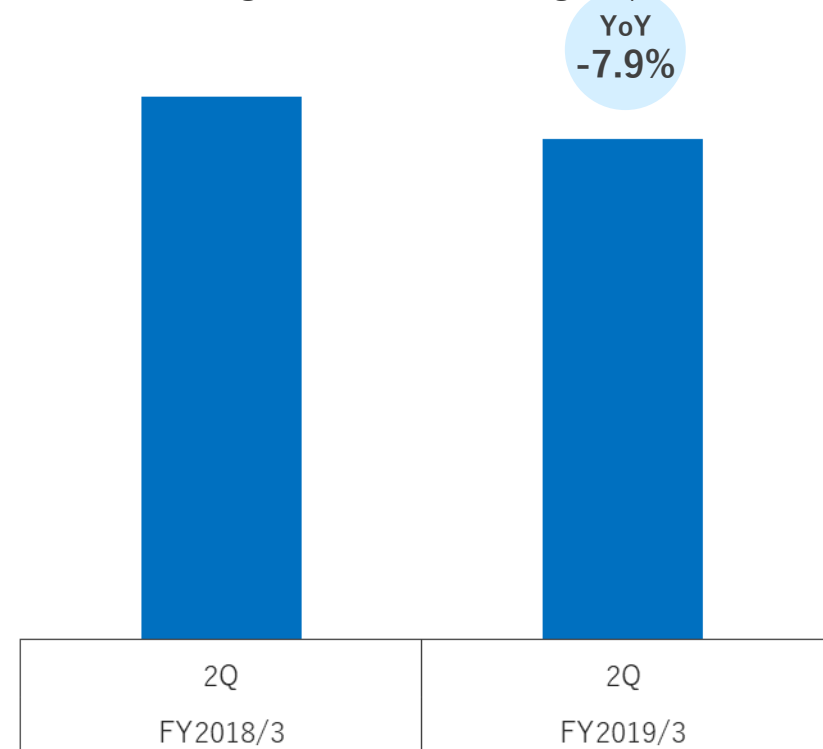
## «Durables» Higher traffic for key products

- Higher traffic for note PCs, air conditioning and flat-screen TVs, but traffic for game consoles declined by half.



## «Consumables» GMV

- Cutting advertising spend for consumables by half has resulted in a drop in GMV. At the same time GMV from organic traffic saw a slight uplift.

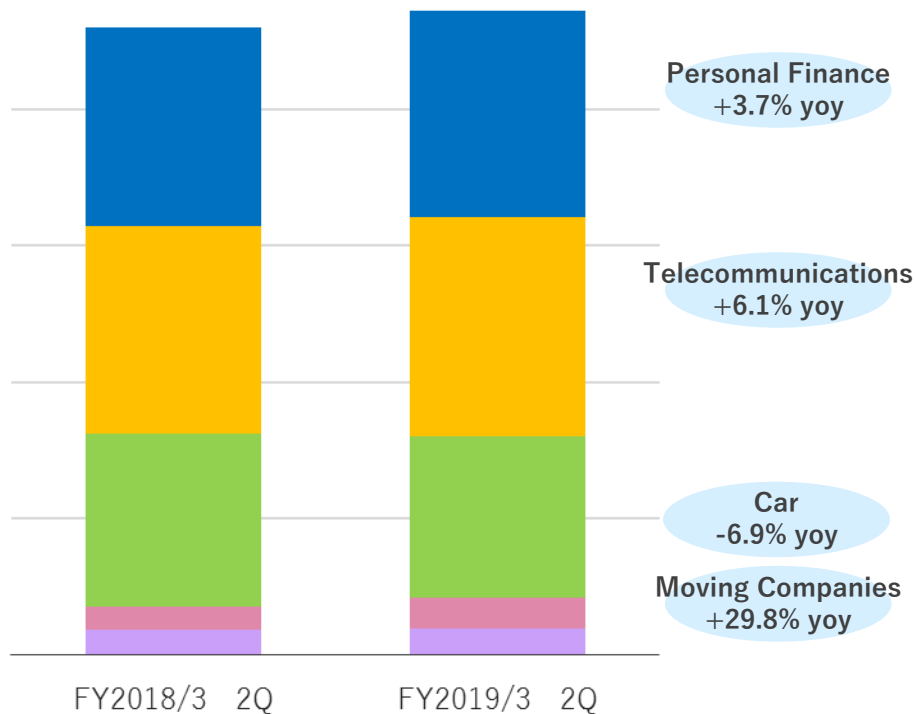


# Kakaku.com: Service and Advertising Segment

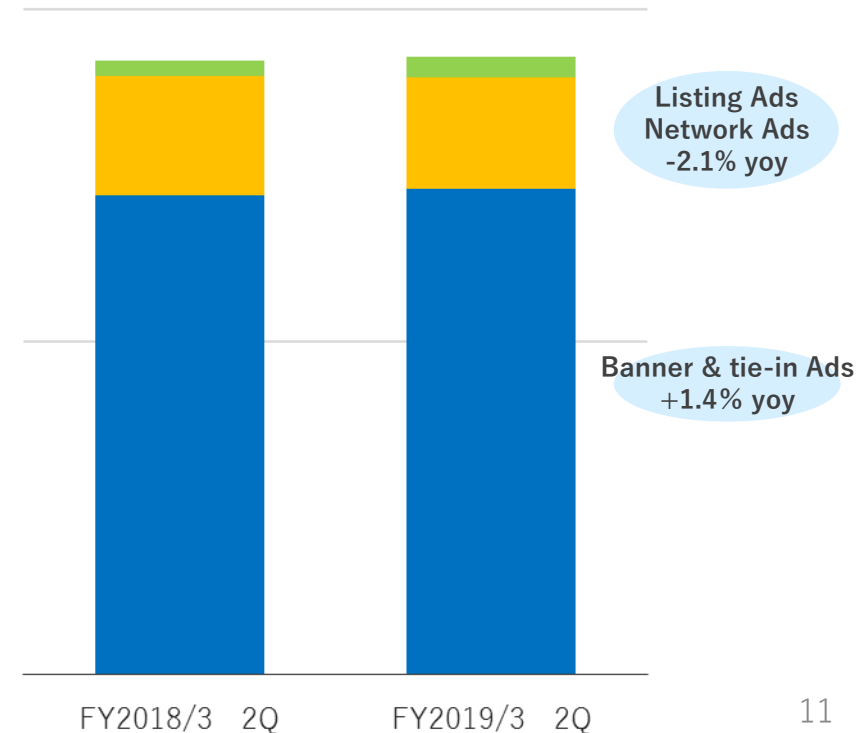
- Positive results for comparison of telecommunication and personal finance products resulted in sales of 2,078 million yen, up 2.7% yoy.
- Due to an increase in advertising clients, total advertising sales for Kakaku.com were up by 0.7 % yoy, to 929 million yen.

## Service Segment: Sales by Category

- Higher sales from comparison of telecommunication, personal finance products and moving companies but decline of sales from car related services.



## Advertising Segment: Sales by Category



# Kakaku.com: Outlook

- Greater product line-up to improve the usability of the site.
- Increase original media content, such as Kakaku.com magazine to reinforce its media value.

## Greater product line-up

- Expand product/service line-up by considering market size and need for comparison/search. School bags were added just recently.

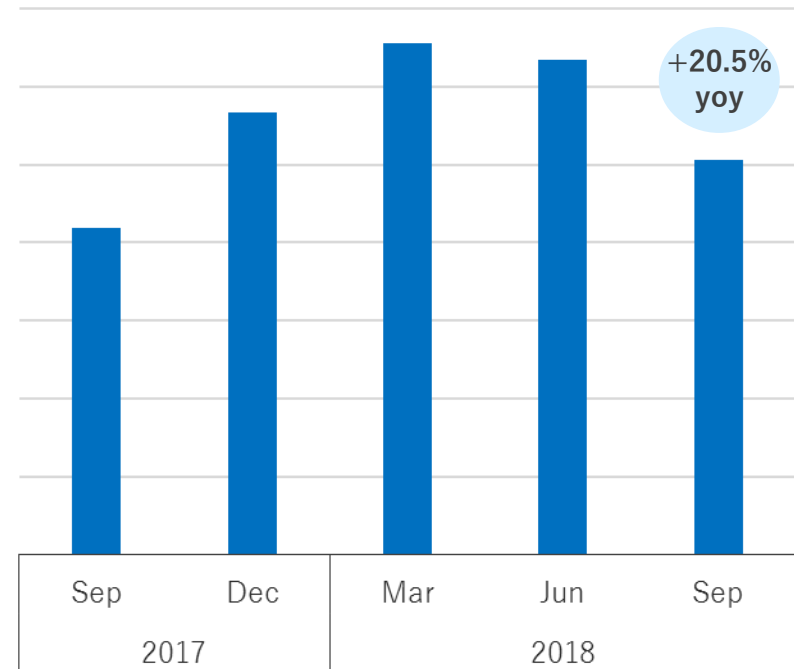
### ■ School bag category



## Strengthen media sites

- Increase original content on sites like Kakaku.com magazine and TASCLAP to reinforce value as online media

### ■ Monthly user numbers for Kakaku.com magazine and TASCLAP (total)

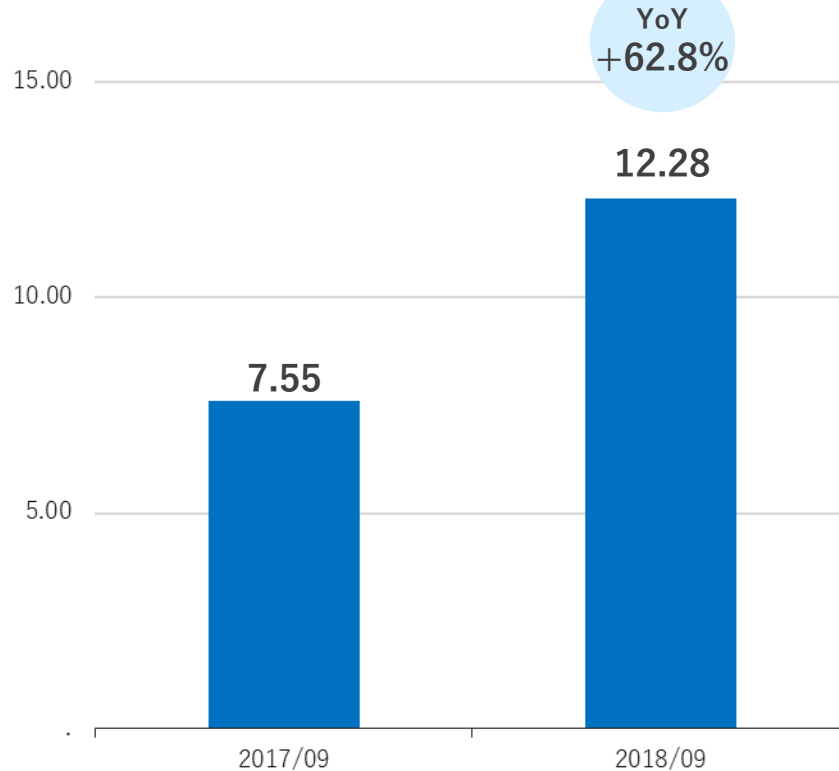


# Priceprice.com

- The three-country total number of users was 12.28 million, +62.8% yoy (as of Sep 2018)
- Intensify advertising sales in Indonesia.

## 3 Country Total Number of Users

(Unit : million)



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.

## Intensify ad sales in Indonesia

Product promotion for Panasonic Gobel Indonesia's car air purifiers using advertorials. Going forward Priceprice aims to increase the number of advertisers by intensifying its sales efforts.

### ■ Advertorials

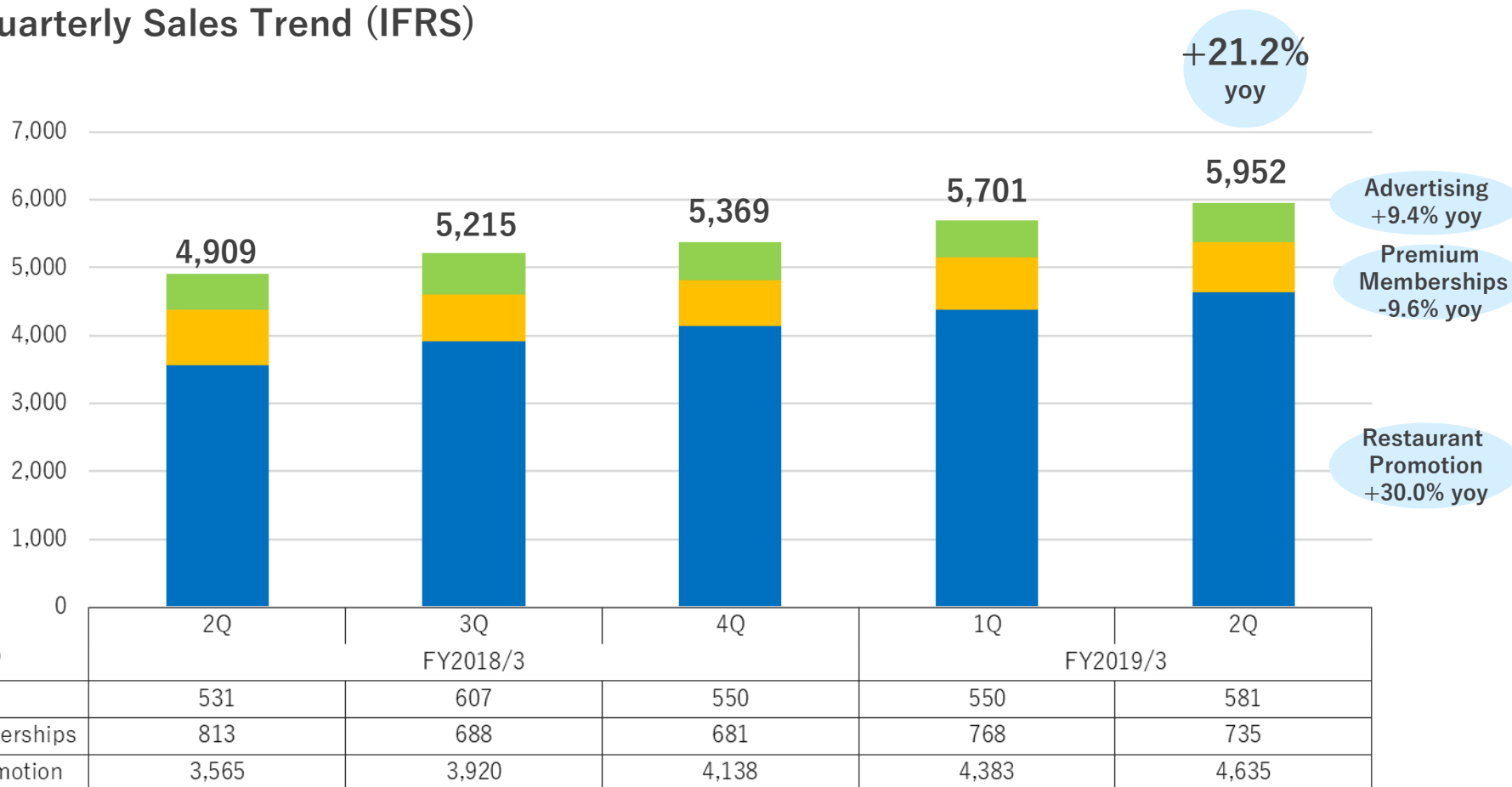


# Tabelog

# Tabelog: Overview

- Due to positive results in the restaurant promotion segment, Tabelog's sales were up by 21.2%, with 5,952 million yen.
- The number of monthly users was 115.31 million (as of Sep 2018).
- The cumulative number of online seat reservations made through Tabelog surpassed 45 million, as of Sep 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. 15  
We have changed our measuring method to exclude overlapping users. For detail on our new measuring method, please refer to the notation on page 30.

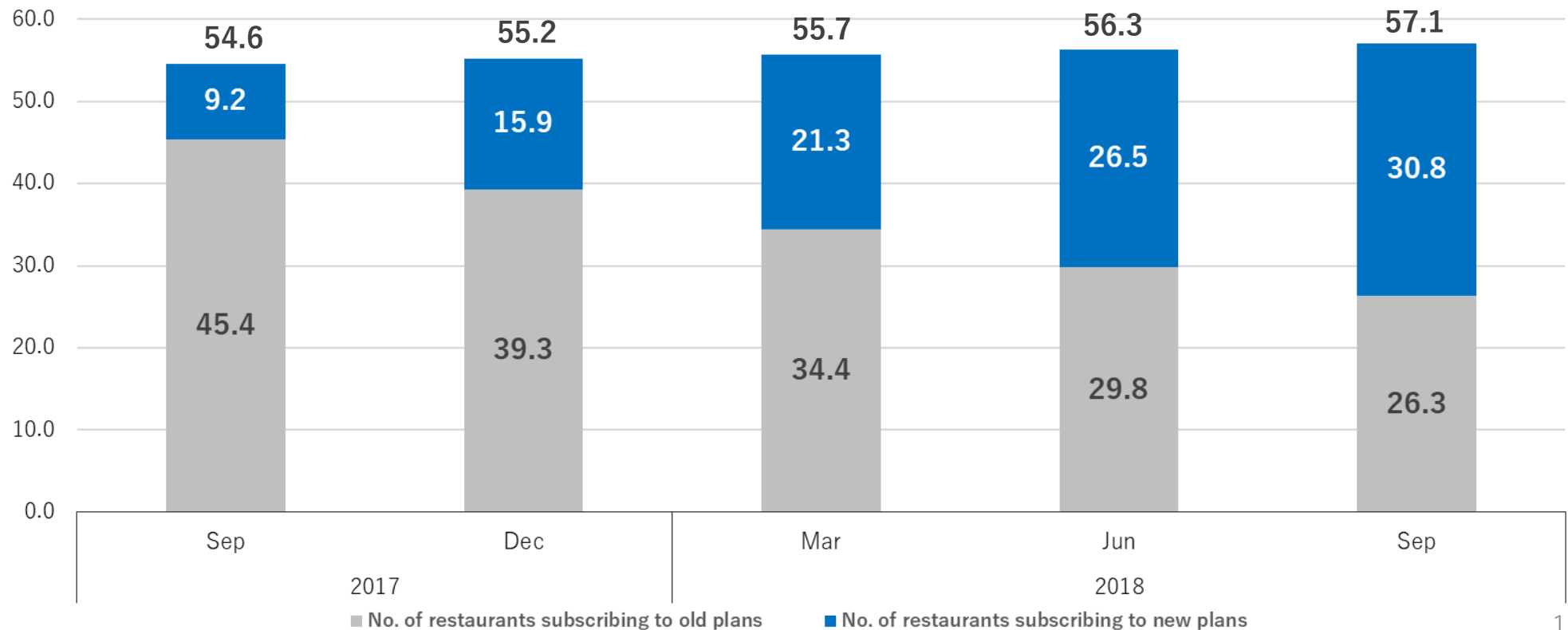


# Tabelog: Restaurant Promotion - No. of Fee-Paying Restaurants

- 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 30,800, bringing the total to 57,100 fee-paying restaurants.

## Breakdown of Fee-Paying Restaurants

(Unit : thousand)

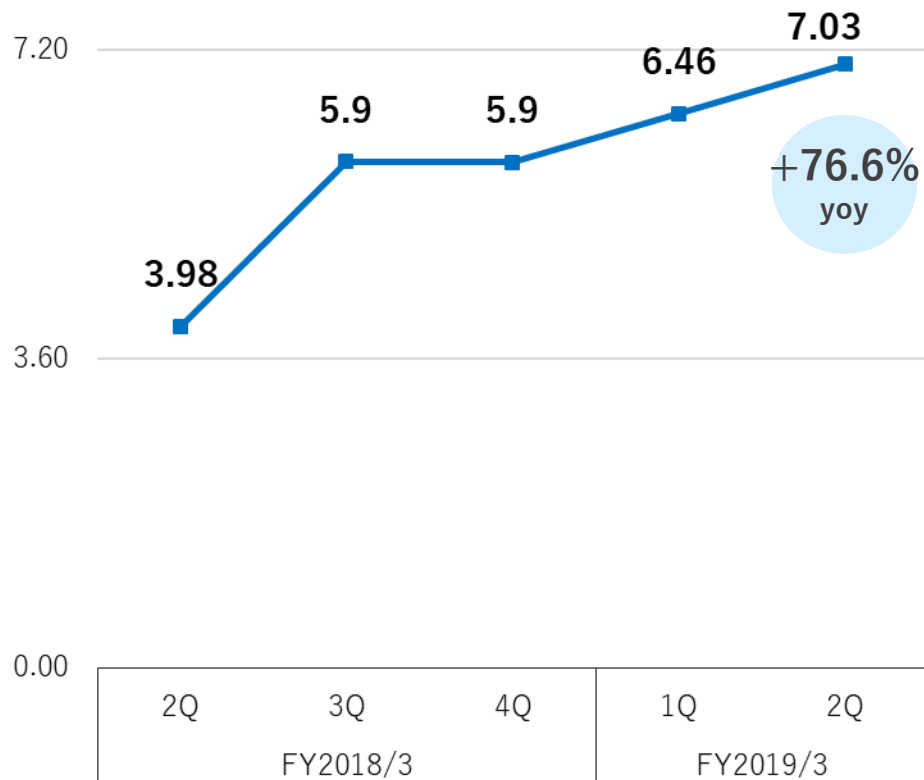


# Tabelog: Restaurant Promotion – KPI progress

- As more restaurants are offering online reservations, the quarterly total of seat reservations increased to 7.03 million, +76.6% yoy.
- Quarterly average of monthly revenue per restaurant reached 27,000 yen, surpassing company targets.

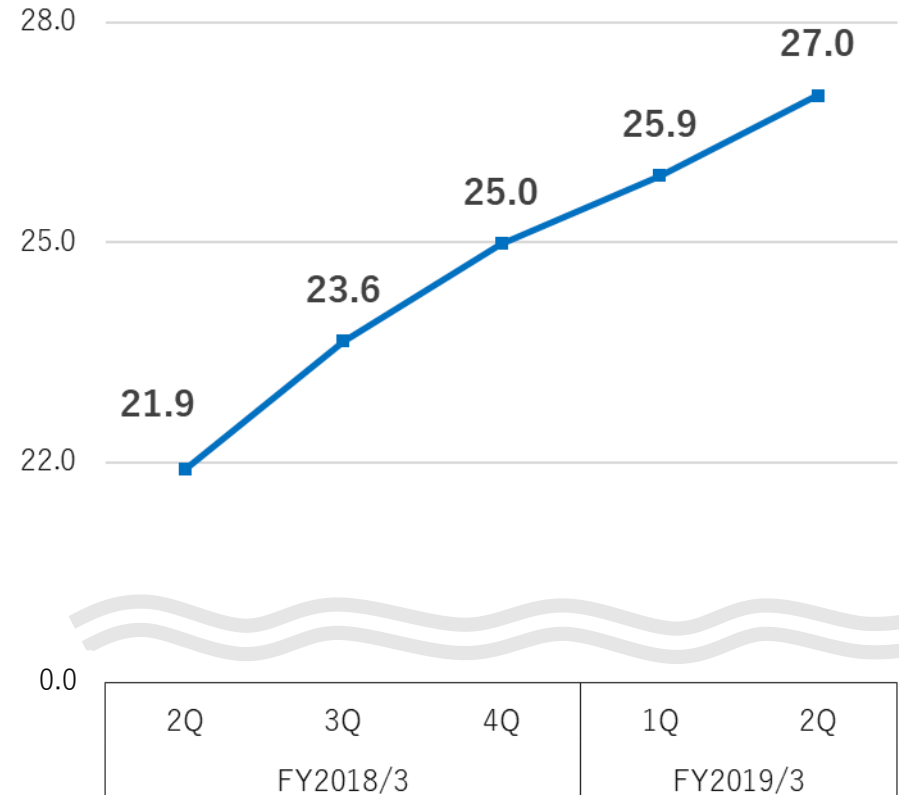
## Number of seat reservations (Quarterly Total)

(Unit : million seats)



## Monthly revenue per restaurant (Quarterly average)

(Unit : thousand yen)

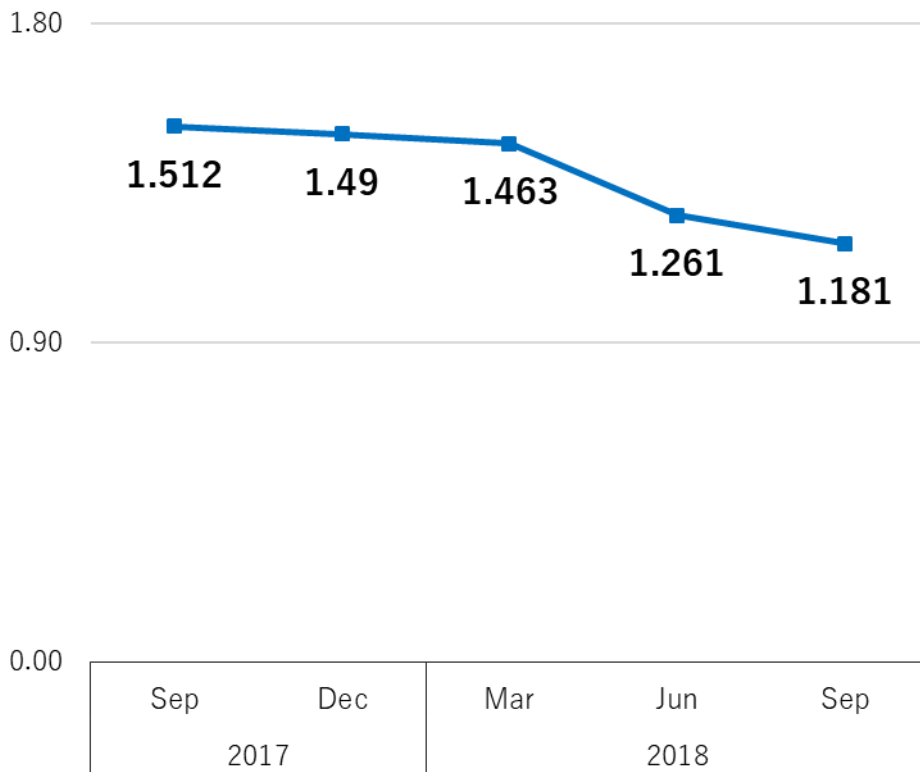


# Tabelog: Premium Memberships and Advertising

- As the number of registered users continues to decline, sales from premium memberships dropped to 735 million yen, down 9.6% yoy.
- Ad revenue was also up by 9.4%, with 581 million yen, due to growing sales from ad campaigns carried out in collaboration with restaurants.

## Number of Premium Users

(Unit : million)



## Collaboration with *Tabelog's Top 100*

- As of 2017, Tabelog has been announcing Top 100 lists for different food genres since and this is the first collaboration on product development.
- Collaboration on ready-made curries between House Foods and selected restaurants from *Tabelog's Top 100 Curry Restaurants 2017*. In stores as of August 2018.

### ■ House *Best Choice Popular Restaurants Curry Series*



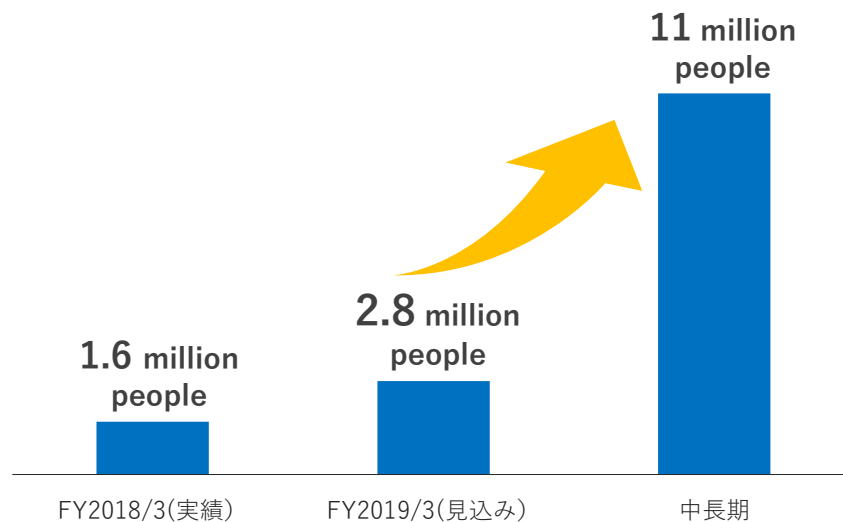
# Tabelog: Outlook

- Drive growth as online reservation site by further increasing the number of online reservations.
- Improve functionality to fulfill users' needs.

## Increase number of online reservations

- Aim for 11 million reservations a month by increasing the number of restaurants subscribing to the new pricing plans and improving functionality.

### ■ Trend of online reservations per month



## Improve functionality of online reservations

- More flexibility in choosing seating options for different occasions, like allowing reservations for large groups for parties, etc.

### ■ Information on seating options

Reservations  
for up to  
30 people

Choose from different  
seating options to  
fit the occasion

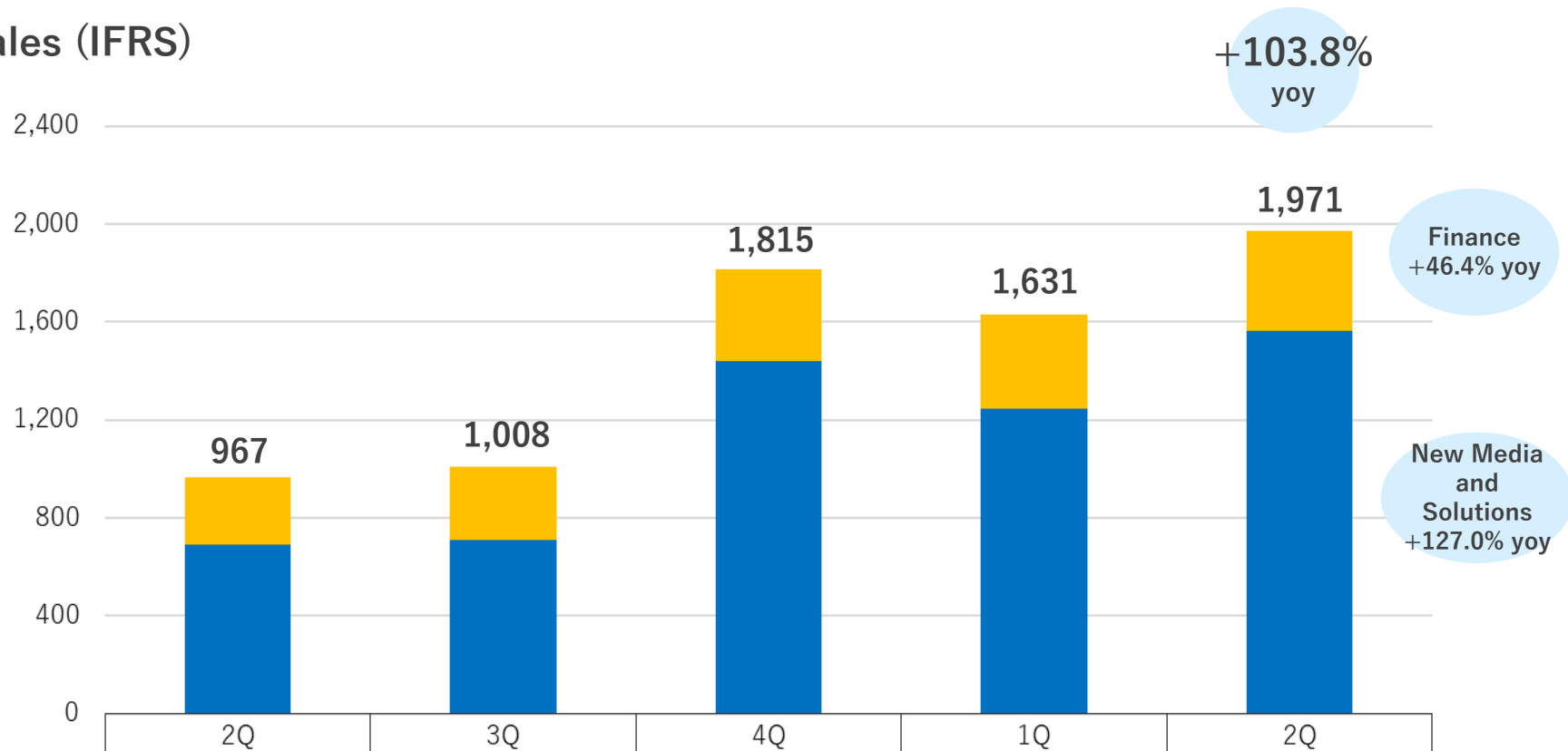


# New Media and Solutions / Finance

# New Media and Solutions / Finance

- Sales for the New Media and Solutions / Finance segment were 1,971 million yen, +103.8% yoy, due to increased revenue contribution by Kyujin Box, Kinarino, Kakaku.com Insurance, LCL and gaie.

## Quarterly Sales (IFRS)



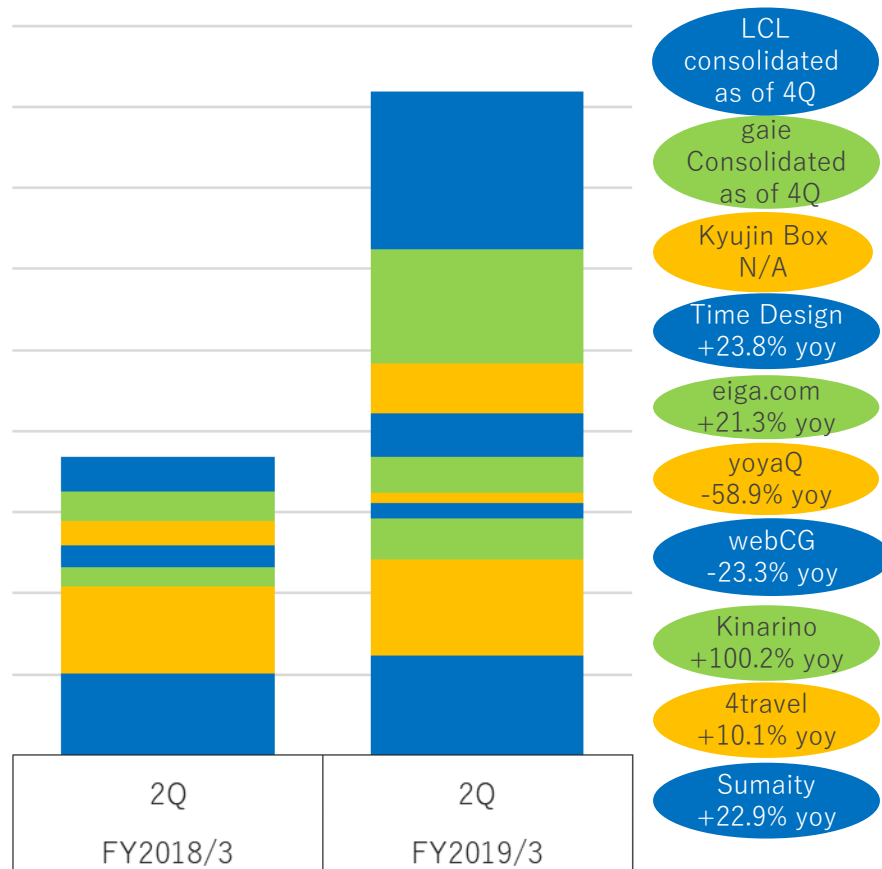
(Unit : million yen)

■ Finance	277	299	376	385	406
■ New Media & Solutions	690	709	1,439	1,246	1,565

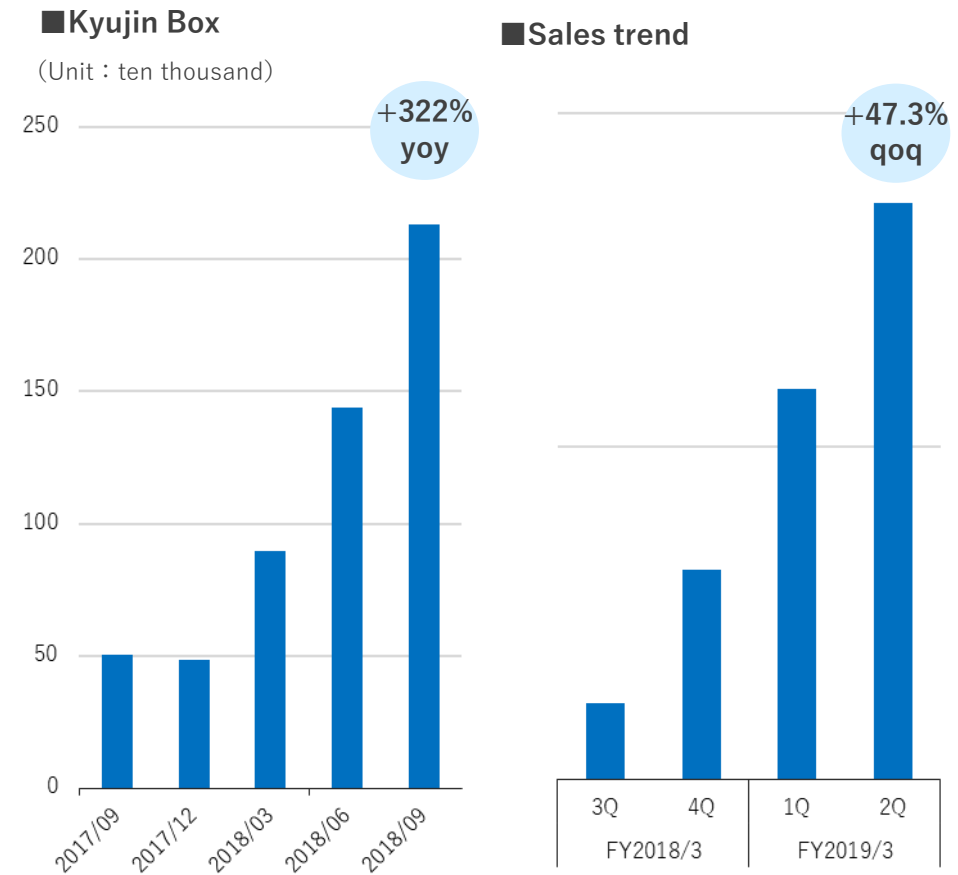
# New Media and Solutions

- Kyujin Box, Kinarino and Sumaity, all showed an increase in revenue.
- Especially Kyujin Box had sales growth of +47.3% qoq due to higher traffic.

## Sales by media (IFRS)



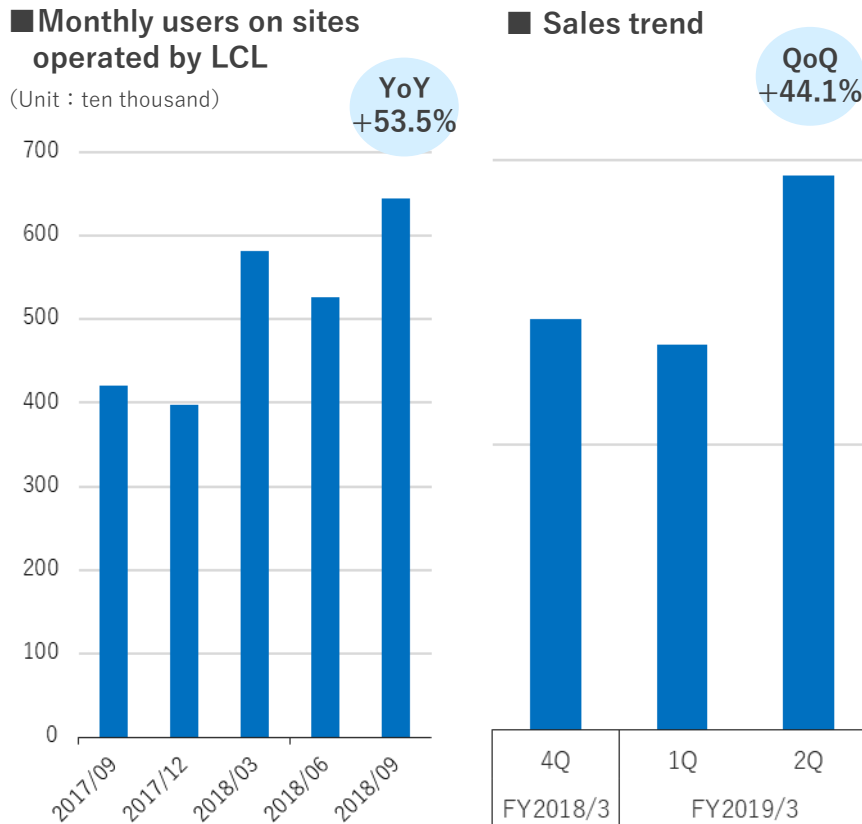
## 《Kyujin Box》 Monthly users and quarterly sales



# New Media and Solutions

- Both user numbers and sales generated by LCL operated sites, such as Bus Hikaku Navi continued to grow.
- Kinarino introduced Kinarino Salon, an online magazine focusing on beauty.

## ≪ LCL ≫ Monthly users and sales trend



Note: sites operated by LCL are Bus Hikaku Navi, Kakuyasu Ido, Bus Trip

## ≪ Kinarino ≫ Start of beauty related content

- Start of Kinarino Salon an online magazine with a focus on beauty, a popular category on Kinarino.

### About Kinarino Salon

Monthly updated original content, planned and edited by the Kinarino team. Includes serial content featuring specialists such as beauty professionals.





# New Media and Solutions: Outlook

- Improve organic referrals from search engines and continue to improve accuracy of in-site search function  
Also, improve original content to drive user numbers and revenue growth.

## 《Kyujin Box》 Improved functionality and content

### ■ Kyujin Box's focus

Improve traffic from search engines

Improve search accuracy

Enhance original content

#### Original content means:

- Recruitment information on free-to post Job Board
- Ranked search results by area
- Basic work related information about each area

### ■ Top page



### ■ Search results page



# Third investment in Asia: TabSquare

- Investment in TabSquare Pte. Ltd. a Singapore based company offering self-ordering solution for restaurants.
- Support TabSquare to enhance its service and expand into new markets, by providing know-how and connections in the F&B industry.

## About TabSquare

- Provides in-restaurant solutions including a self-ordering system. Helps restaurants not only to reduce operation cost but also achieve higher sales through data

### ■ Features of TabSquare's self-ordering system

- 1) Easy implementation
- 2) Higher sales by allowing to cut personnel cost while improve service level
- 3) Up-sell and cross-sell using data analysis

Service image



Image of restaurant introduction



## Coming initiatives for global business

- Continue to invest into consumer focused services in Southeast Asia

### ■ Current investments

**1<sup>st</sup> investment**  
**June 2017**  
**MoneySmart**

Personal finance  
comparison site

**2<sup>nd</sup> investment**  
**February 2018**  
**Love, Bonito**

Online fashion  
brand for women

**3<sup>rd</sup> investment**  
**October 2018**  
**TabSquare**

Restaurant solution  
service provider

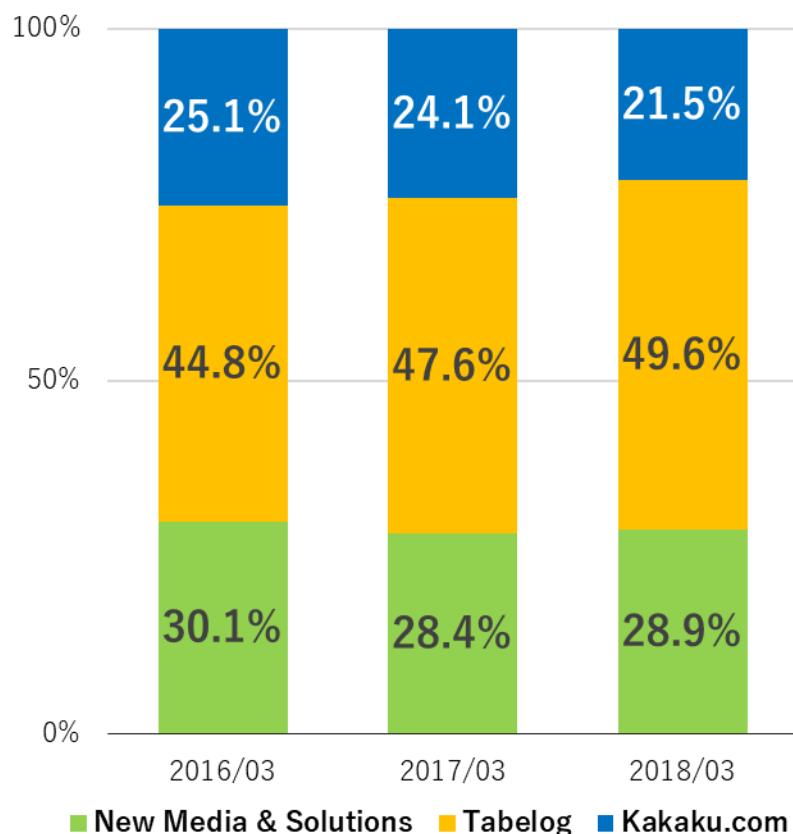


# Appendix

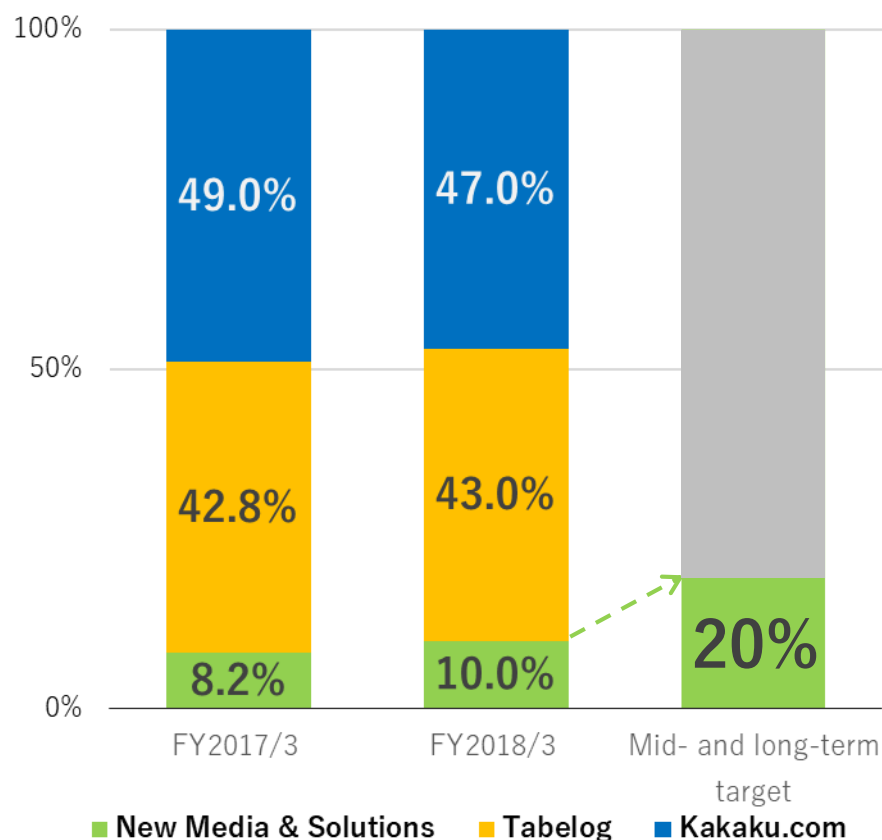
# Kakaku.com Group Strategy

- 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**

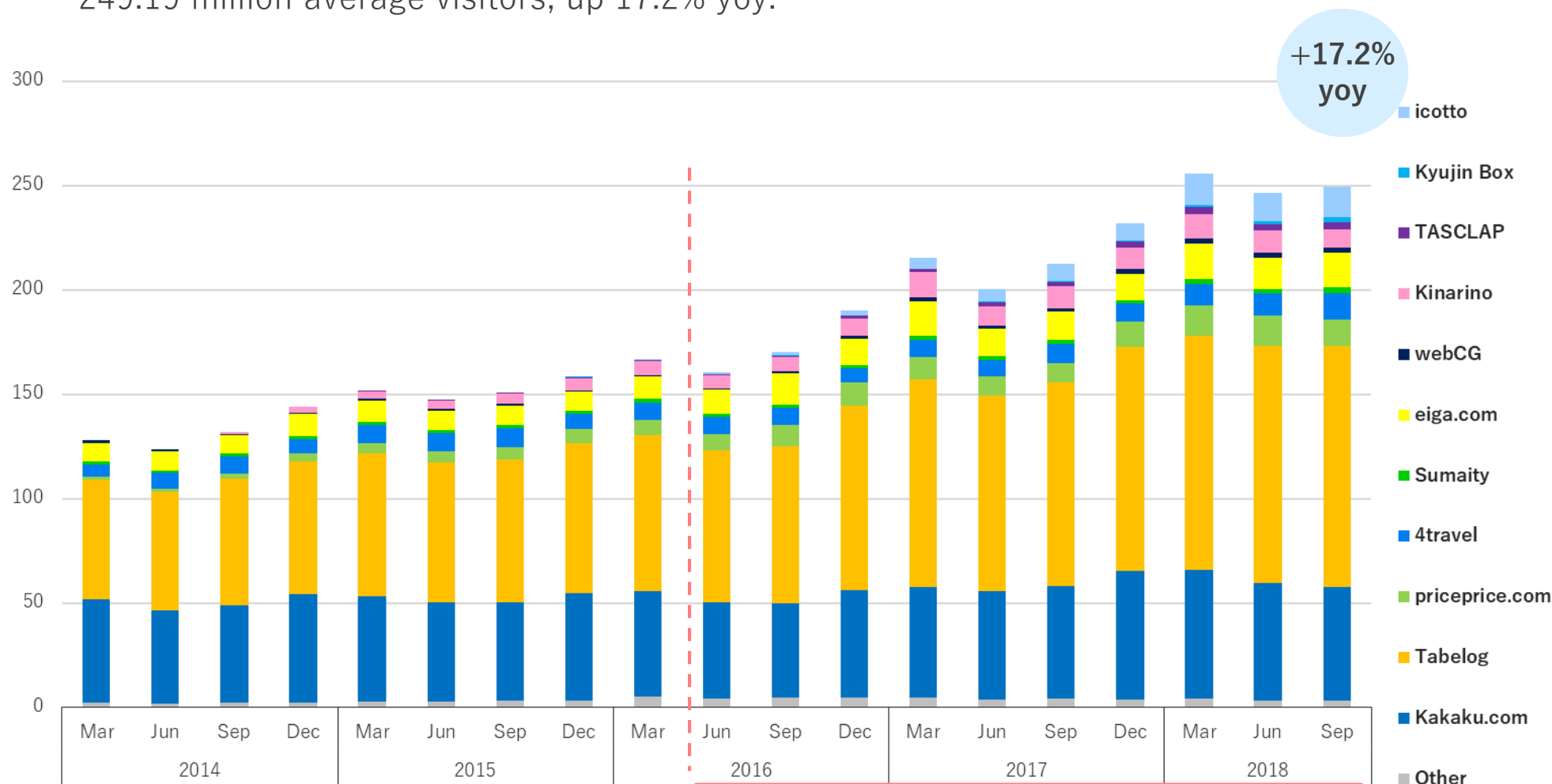
Increase no. of users and expand monetization

# 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 249.19 million average visitors, up 17.2% yoy.



## Regarding changes in traffic measurement method

Due to the mobile webpage speed, we have been experiencing some overlap when measuring monthly user numbers but as of September 2018 we have switched to a method which allows us to exclude overlapping users. The graph from September 2016 to September 2018 was recreated using the new method.

# User Profile

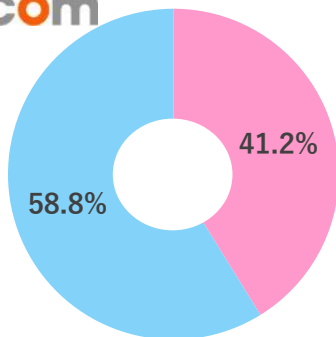
## Male- Female Ratio

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

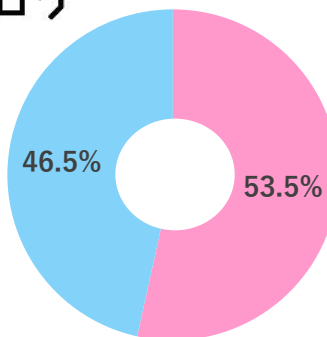


■ 男性 ■ 女性

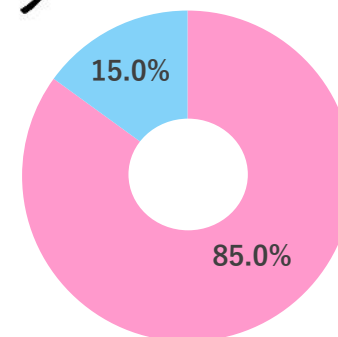
価格.com



🍴 食べログ



キナリノ



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

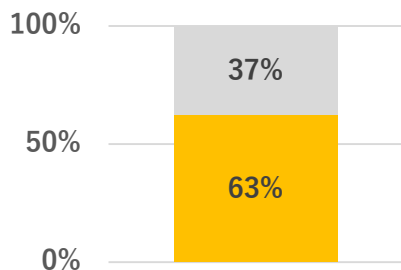
## User distribution by device

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

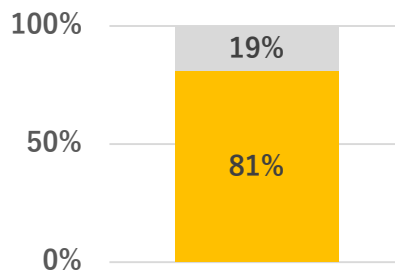


■ PC ■ SP

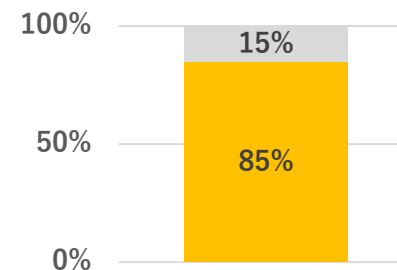
価格.com



🍴 食べログ



キナリノ



Source: Adobe Marketing



# Consolidated Results

(Unit : million yen)

## FY2016/3 (JGAAP)

	1Q	2Q	3Q	4Q	Full Year
Sales / Sales ratio	9,327	9,881	10,558	11,507	41,275
Kakaku.com	4,823 / 51.7%	4,708 / 47.6%	5,429 / 51.4%	6,006 / 52.2%	20,968 / 50.8%
Tabelog	3,556 / 38.1%	3,851 / 39.0%	4,119 / 39.0%	4,255 / 37.0%	15,782 / 38.2%
New Media etc.	947 / 10.2%	1,322 / 13.4%	1,009 / 9.6%	1,246 / 10.8%	4,525 / 11.0%
Operating Income	4,276	4,395	5,071	5,791	19,534
Margin	45.9%	44.5%	48.0%	50.3%	47.3%

## FY2017/3 (JGAAP)

	1Q	2Q	3Q	4Q	Full Year
Sales / Sales ratio	10,464	11,379	11,405	11,840	45,089
Kakaku.com	4,958 / 47.4%	5,161 / 45.4%	5,396 / 47.3%	5,774 / 48.8%	21,287 / 47.2%
Tabelog	4,389 / 42.0%	4,606 / 40.5%	4,843 / 42.5%	4,768 / 40.3%	18,608 / 41.3%
New Media etc.	1,117 / 10.6%	1,612 / 14.1%	1,165 / 10.2%	1,297 / 10.9%	5,192 / 11.5%
Operating Income	4,854	5,178	5,398	5,729	21,161
Margin	46.4%	45.5%	47.3%	48.4%	46.9%

## FY2018/3 (IFRS)

	1Q	2Q	3Q	4Q	Full Year
Sales / Sales ratio	10,651	11,018	11,829	13,285	46,782
Kakaku.com	5,124 / 48.1%	5,142 / 46.7%	5,605 / 47.4%	6,101 / 45.9%	21,973 / 47.0%
Tabelog	4,654 / 43.7%	4,909 / 44.5%	5,215 / 44.1%	5,369 / 40.4%	20,148 / 43.0%
New Media etc.	872 / 8.2%	967 / 8.8%	1,008 / 8.5%	1,815 / 13.7%	4,662 / 10.0%
Operating Income	5,100	5,392	5,700	6,684	22,876
Margin	47.9%	48.9%	48.2%	50.3%	48.9%

## FY2019/3 (IFRS)

	1Q	2Q	3Q	4Q	Full Year
Sales / Sales ratio	12,513	13,132			
Kakaku.com	5,181 / 41.4%	5,209 / 39.7%			
Tabelog	5,701 / 45.6%	5,952 / 45.3%			
New Media etc.	1,631 / 13.0%	1,971 / 15.0%			
Operating Income	5,560	6,123			
Margin	44.4%	46.6%			

# Kakaku.com Group Service Overview

<p>◆[Kakaku.com] Purchase support service</p> <p><b>価格.com</b></p>	<p>◆[tabelog] Restaurant discovery and reservation</p> <p> <b>食べログ</b></p>	<p>◆[eiga.com] Movie discovery platform</p> <p><b>映画.com</b></p>
<p>◆[PHOTOHITO] Photo sharing community</p> <p><b>PHOTOHITO</b></p>	<p>◆[4travel] Travel review and comparison site</p> <p><b>4travel.jp</b></p>	<p>◆[Priceprice.com] Shopping support site for Southeast Asia</p> <p><b>Priceprice.com</b></p>
<p>◆[Sumaity] Online residential real estate portal</p> <p><b>スマイティ</b></p>	<p>◆[Kakaku.com Insurance] Insurance consulting</p> <p><b>kakaku.com insurance</b></p>	<p>◆[web CG] Online media for car lovers</p> <p><b>webCG</b> Car Graphic</p>
<p>◆Time Design Inc. Dynamic package reservation system</p> <p><b>Time Design</b></p>	<p>◆[Kinarino] Lifestyle media</p> <p><b>キナリノ</b></p>	<p>◆[FX Compass] FX related information, commentary and forecast on foreign exchange market</p> <p> <b>FX 羅針盤</b></p>
<p>◆[Kyujin-box] Job classifieds</p> <p><b>求人ボックス</b></p>	<p>◆[icotto] Online Travel Information Media</p> <p><b>icotto</b></p>	<p>◆[Akiba-souken] Akiba style information and community site</p> <p><b>アキバ総研</b></p>
<p>◆[TASCLAP] Online media for men's fashion</p> <p><b>TASCLAP</b></p>	<p>◆[Yako Bus Hikaku Navi] Highway and overnight bus price comparison</p> <p> <b>バス比較ナビ</b></p>	<p>◆[Low price trips] Comparison site for the cheapest bus, airline and bullet train tickets</p> <p> <b>格安移動</b></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>
	TabSquare Pte. Ltd.	URL: <a href="https://www.tabsquare.com/">https://www.tabsquare.com/</a>

Note: Information and projections of future performance contained in this document include the Company's judgments premised on information available at the time of preparation and assumptions concerning uncertainties.  
They may differ from actual business performance and results due to a variety of factors.