

Kakaku.com, Inc.
Consolidated Earnings Report for the
Fiscal Year Ended March 31, 2020

Stock listings: Tokyo Stock Exchange (First Section)
 Securities code: 2371
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Scheduled dates

Ordinary general meeting of shareholders: June 18, 2020
 Dividend payout: June 19, 2020
 Filing of statutory year-end financial report: June 18, 2020
 Supplementary materials to financial results available: Yes
 Fiscal year-end earnings presentation held: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results

(% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit attributable to owners of the parent company		Total comprehensive income for the period	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2020/3	60,978	11.2	27,217	8.6	26,619	7.2	18,338	9.5	18,348	9.9	18,029	7.4
FY2019/3	54,832	17.2	25,070	9.6	24,839	8.8	16,742	6.4	16,697	6.4	16,779	5.9

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of the parent company ratio	Profit before income taxes to total assets ratio	Operating profit to revenue ratio
	¥	¥	%	%	%
FY2020/3	88.25	88.20	44.0	46.5	44.6
FY2019/3	79.70	79.66	45.1	52.8	45.7

For reference: Share of profit (loss) of associates and joint ventures accounted for by the equity method:

Year ended March 31, 2020: (396) million yen

Year ended March 31, 2019: (238) million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent company	Total equity attributable to owners of the parent company ratio	Equity per share attributable to owners of the parent company
	¥ million	¥ million	¥ million	%	¥
As of March 31, 2020	63,317	43,303	42,909	67.8	208.43
As of March 31, 2019	51,242	40,941	40,538	79.1	194.30

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FY2020/3	23,977	(3,958)	(16,946)	29,504
FY2019/3	18,291	(3,163)	(9,734)	26,422

2. Dividends

	Annual dividends					Total payout (full year)	Payout ratio (consolidated)	Dividends to equity attributable to owners of the parent company (consolidated)
	Q1	Q2	Q3	Year-end	Annual total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2019/3	-	18.00	-	18.00	36.00	7,534	45.2	20.3
FY2020/3	-	20.00	-	20.00	40.00	8,291	45.3	19.9
FY2021/3 (forecast)	-	-	-	-	-		-	

(Note) The dividend forecast for the fiscal year ending March 31, 2021 is yet to be undetermined.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

Due to the difficulty of reasonably measuring the impact of COVID-19 and the measures taken in response to the outbreak at the present time, the consolidated earnings forecast for the fiscal year ending March 31, 2021 remains undetermined. We will disclose the consolidated earnings forecast as soon as this becomes possible.

*Notes

(1) Changes in significant subsidiaries during the period: None

(2) Accounting policy changes and accounting estimate changes:

i) Changes in accounting policies required by IFRS: Yes

ii) Changes other than the above 1): None

iii) Changes in accounting estimates: None

(Note) For details, see “3. Consolidated Financial Statements, (5) Notes on Consolidated Financial Statements (Changes in accounting policies)” on page 11.

(3) Number of shares issued (common stock)

1) Number of shares issued at end of period (treasury shares included):

March 31, 2020: 206,705,000 shares

March 31, 2019: 209,505,000 shares

2) Number of shares held in treasury at end of period:

March 31, 2020: 836,558 shares

March 31, 2019: 872,058 shares

3) Average number of shares outstanding during the period:

Year ended March 31, 2020: 207,911,788 shares

Year ended March 31, 2019: 209,491,700 shares

For Reference

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020
(April 1, 2019 to March 31, 2020)**

(1) Operations Results

(% = year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2020/3	54,665	10.5	25,494	9.4	25,333	8.9	17,566	9.2
FY2019/3	49,474	12.5	23,293	6.1	23,261	6.2	16,087	5.0

	Net income per share - basic	Net income per share - fully diluted
	¥	¥
FY2020/3	84.49	84.44
FY2019/3	76.79	76.76

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of March 31, 2020	50,144	41,418	82.2	200.17
As of March 31, 2019	47,440	39,816	83.6	190.04

For reference: Total equity: March 31, 2020: 41,209 million yen March 31, 2019: 39,649 million yen

Total equity = Shareholders' equity plus total accumulated other comprehensive income

* This earnings report is exempt from audit procedures by certified public accountants and the accounting auditor.

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

(Disclaimer Regarding Forward-Looking Statements)

Due to the difficulty of reasonably measuring the impact of COVID-19 and the measures taken in response to the outbreak at the present time, the consolidated earnings forecast for the fiscal year ending March 31, 2021 remains undetermined.

For details, see "(4) Outlook for Fiscal Year Ending March 31, 2021" on page 3.

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1. Operating Results and Financial Position

(1) Operating Results

The Company's operating results for the fiscal year ended March 31, 2020, are as follows.

Consolidated revenue grew 11.2% year on year to 60,978 million yen. This was mainly driven by revenue growth in Tabelog's restaurant promotion business, Kakaku.com's service business, Kyujin Box, Sumaity, and the businesses of consolidated subsidiary Kakaku.com Insurance, Inc.

Consolidated operating profit grew 8.6% year on year to 27,217 million yen, mainly driven by revenue growth, which offset an increase in operating costs. Increases in operating costs included personnel-related expenses, advertising expenses related to Tabelog, and rent from the fiscal second half with the expansion of office floor space, all in conjunction with business growth.

Consolidated profit before income taxes grew 7.2% year on year to 26,619 million yen, mainly as a result of consolidated operating profit growth, which offset the booking of a 396 million yen loss on the share of loss of associates and joint ventures accounted for by the equity method.

Consolidated profit attributable to owners of the parent company increased 9.9% year on year to 18,348 million yen.

Operating results (after intersegment eliminations) are presented below by business segment.

(a) Internet Media Business

The Internet Media business's revenue grew 10.6% year on year to 58,755 million yen, while its segment income grew 8.1% year on year to 26,480 million yen in the fiscal year ended March 31, 2020.

(Kakaku.com)

Kakaku.com's revenue grew 6.4% year on year to 23,960 million yen in the fiscal year ended March 31, 2020.

The shopping business's revenue edged up 0.8% year on year to 9,328 million yen, while the advertising business's revenue ticked up 3.0% year on year to 4,585 million yen. These results were due to the fact that the increase in revenue in both the shopping and advertising businesses in conjunction with the rush in demand immediately before the consumption tax rate hike was largely offset by the temporary recoil decline in demand after the consumption tax hike, as well as the decline in revenue in durable goods and the decrease in revenue for advertising placements from home appliance and electronics manufacturers stemming from the impact of COVID-19 in the fourth quarter of the fiscal year. The service business's revenue increased 14.1% year on year to 10,046 million yen due to the significant increase in revenue in the personal finance domain.

Kakaku.com had 63.09 million monthly unique users¹ in March 2020.

(Tabelog)

Tabelog's revenue grew 8.3% year on year to 26,369 million yen in the fiscal year ended March 31, 2020.

The fee-based*² plans' subscribership stood at 59,100 restaurants as of March 31, 2020. This was achieved through the signing up of new customers. Online reservation bookings increased 23.6% year on year to a cumulative total of 37.77 million people due to an increase in both the number of restaurants that accept online reservations and the online reservation ratio, despite the impact of COVID-19 in the fourth quarter of the fiscal year. Consequently, the restaurant promotion business's revenue increased 12.6% year on year to 21,509 million yen. The premium membership business's revenue decreased 19.1% year on year to 2,337 million yen in response to a decline in fee-paying members. The advertising business's revenue grew 7.0% year on year to 2,522 million yen, driven by growth in revenue from banner ads and advertorials.

Tabelog had 106.47 million monthly unique users¹ in March 2020.

(New Media and Solutions)

The New Media and Solutions business's revenue grew 34.8% year on year to 8,426 million yen in the fiscal year ended March 31, 2020.

Kyujin Box's commission revenues grew in tandem with growth in monthly usership and an increase in the customer referral rate. Additionally, Sumaity saw an increase in commission revenues due to a rise in inquiries about properties.

(b) Finance Business

The Finance business's revenue grew 29.3% year on year to 2,223 million yen while its segment income increased 30.5% year on year to 733 million yen in the fiscal year ended March 31, 2020.

The *Kakaku.com Insurance* site of consolidated subsidiary Kakaku.com Insurance, Inc. increased its commission revenue through growth in online applications for both life and non-life insurance coverage.

Note:

1. Monthly unique users are counted on a net basis as the number of browsers that visited the site. Users who visit the site multiple times during a month are counted as one user. The Company employs a counting method that screens out, to the fullest extent possible, the double-counting of mobile browsers resulting from high-speed loading of mobile webpages as well as mechanical accesses by, e.g., third parties' web-scraping bots.

2. Tabelog's fee-based plans are restaurant service plans for which Tabelog's restaurant promotion business charges restaurants: 1) a variable fee plan based on online reservation bookings in addition to a monthly base fee, or 2) a monthly base fee plan.

(2) Financial Position

Assets

Consolidated assets at March 31, 2020, totaled 63,317 million yen, a 12,075 million yen increase from March 31, 2019. The increase was mainly the result of a 7,947 million yen increase in right-of-use assets due to application of IFRS 16 Leases, and a 3,082 million yen increase in cash and cash equivalents.

Liabilities

Consolidated liabilities at March 31, 2020, totaled 20,014 million yen, a 9,713 million yen increase from March 31, 2019. The increase was mainly the result of a 7,807 million yen increase in lease liabilities due to application of IFRS 16 Leases, a 537 million yen increase in income taxes payable, and a 484 million yen increase in other current liabilities.

Total equity

Consolidated equity at March 31, 2020, totaled 43,303 million yen, a 2,362 million yen increase from March 31, 2019. The increase was mainly the net result of the 18,348 million yen of profit attributable to owners of the parent company, which offset a declaration of a 7,929 million yen dividend from retained earnings and acquisition of and disposal of treasury shares of 7,859 million yen.

(3) Cash Flows

Cash and cash equivalents ("cash") at March 31, 2020, totaled 29,504 million yen, a 3,082 million yen increase from March 31, 2019. Cash flows from operating, investing and financing activities were as follows.

Cash flows from operating activities

Operating activities provided net cash of 23,997 million yen (vs. 18,291 million yen provided in the previous fiscal year), mainly in the form of 26,619 million yen of profit before income taxes less 8,038 million yen of income taxes paid.

Cash flows from investing activities

Investing activities used net cash of 3,958 million yen (vs. 3,163 million yen used in the previous fiscal year), primarily to acquire intangible assets, including server software, for 1,454 million yen, to acquire property, plant, and equipment for 1,249 million yen, and to acquire investment securities for 712 million yen.

Cash flows from financing activities

Financing activities used net cash of 16,946 million yen (vs. 9,734 million yen used in the previous fiscal year), primarily to acquire treasury shares for 8,014 million yen and distribute dividends totaling 7,928 million yen.

(4) Outlook for Fiscal Year Ending March 31, 2021

The outbreak of COVID-19 and subsequent state of emergency declaration have led to changes in personal consumption trends. Such trends include the concentration of demand on daily necessities and people refraining from dining out and traveling, all of which are having a major impact on the Group's business environment. In addition, due to many uncertainties including when the outbreak will wind down and what economic measures the government will implement, the Group believes that it will remain difficult to make future outlooks.

Amid this environment, the Group will continue to provide services from the consumer's perspective through the Kakaku.com business, Tabelog business, the New Media and Solutions business, and the Finance business. While continuing to expand and enhance services and strengthen functions of existing businesses, we will strive to enhance corporate value by providing new added value to users and businesses.

The consolidated earnings forecast for the fiscal year ending March 2021 is yet to be determined because it is difficult to reasonably calculate at this stage. We will promptly disclose the forecast as soon as it becomes possible to do so.

2. Basic Approach to Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards (IFRS) effective from the fiscal year ended March 31, 2018, to enhance its financial information's international comparability in capital markets.

3. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	26,422	29,504
Trade and other receivables	8,676	8,394
Other financial assets	29	76
Other current assets	1,502	1,141
Total current assets	36,629	39,115
Non-current assets		
Property, plant and equipment	1,384	2,489
Right-of-use assets	—	7,947
Goodwill and other intangible assets	7,095	7,057
Investments accounted for using equity method	2,555	2,536
Other financial assets	3,229	3,407
Deferred tax assets	304	722
Other non-current assets	46	45
Total non-current assets	14,613	24,201
Total assets	51,242	63,317

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Trade and other payables	2,446	2,719
Bonds and borrowings	339	443
Other financial liabilities	221	186
Income taxes payable	4,082	4,619
Lease liabilities	—	1,514
Employee benefit obligations	1,296	1,493
Other current liabilities	1,419	1,903
Total current liabilities	9,802	12,877
Non-current liabilities		
Bonds and borrowings	139	124
Provisions	178	474
Lease liabilities	—	6,293
Other non-current liabilities	182	246
Total non-current liabilities	499	7,137
Total liabilities	10,301	20,014
Equity		
Capital stock	916	916
Capital surplus	464	464
Retained earnings	40,490	43,515
Treasury shares	(1,750)	(2,196)
Other components of equity	419	210
Total equity attributable to owners of the parent company	40,538	42,909
Non-controlling interests	403	394
Total equity	40,941	43,303
Total liabilities and equity	51,242	63,317

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Revenue	54,832	60,978
Operating expenses	29,789	33,698
Other income	26	32
Other expenses	0	94
Operating profit	25,070	27,217
Finance income	15	26
Finance expenses	7	228
Share of profit (loss) of associates and joint ventures accounted for by the equity method	(238)	(396)
Profit before income taxes	24,839	26,619
Income tax expense	8,097	8,280
Profit	16,742	18,338
Profit attributable to:		
Owners of the parent company	16,697	18,348
Non-controlling interests	45	(10)
Earnings per share		
Basic earnings per share (yen)	79.70	88.25
Diluted earnings per share (yen)	79.66	88.20

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	16,742	18,338
Other comprehensive income (Net of related tax effect)		
Items that will not be reclassified to profit or loss		
Net changes in fair value of financial assets measured at fair value through other comprehensive income	39	(293)
Total items that will not be reclassified to profit or loss	39	(293)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1)	(10)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(1)	(7)
Total items that may be reclassified to profit or loss	(1)	(17)
Other comprehensive income (Net of related tax effect)	37	(310)
Comprehensive income	16,779	18,029
Comprehensive income attributable to:		
Owners of the parent company	16,734	18,038
Non-controlling interests	45	(9)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning of period	916	441	33,060	(1,255)	216	(4)	1	197	411	33,573	335	33,908
Profit	—	—	16,697	—	—	—	—	—	—	16,697	45	16,742
Other comprehensive income	—	—	—	—	39	(1)	(1)	—	37	37	(0)	37
Total comprehensive income	—	—	16,697	—	39	(1)	(1)	—	37	16,734	45	16,779
Dividends	—	—	(7,135)	—	—	—	—	—	—	(7,135)	—	(7,135)
Purchase or disposal of treasury shares	—	—	(2,132)	(495)	—	—	—	(80)	(80)	(2,707)	—	(2,707)
Change in ownership interest in subsidiaries that do not result in loss of control	—	(0)	—	—	—	—	—	—	—	(0)	2	1
Share-based payment transactions	—	—	—	—	—	—	—	76	76	76	—	76
Cancellation of subscription rights to shares	—	26	—	—	—	—	—	(26)	(26)	—	—	—
Others	—	(3)	—	—	—	—	—	—	—	(3)	21	18
Total transactions with owners	—	22	(9,267)	(495)	—	—	—	(29)	(29)	(9,770)	23	(9,747)
Balance at end of period	916	464	40,490	(1,750)	254	(4)	1	168	419	40,538	403	40,941

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning of period	916	464	40,490	(1,750)	254	(4)	1	168	419	40,538	403	40,941
Cumulative effects of changes in accounting policies	—	—	(3)	—	—	—	—	—	—	(3)	—	(3)
Restated balance	916	464	40,487	(1,750)	254	(4)	1	168	419	40,535	403	40,938
Profit	—	—	18,348	—	—	—	—	—	—	18,348	(10)	18,338
Other comprehensive income	—	—	—	—	(293)	(11)	(7)	—	(310)	(310)	0	(310)
Total comprehensive income	—	—	18,348	—	(293)	(11)	(7)	—	(310)	18,038	(9)	18,029
Dividends	—	—	(7,929)	—	—	—	—	—	—	(7,929)	—	(7,929)
Purchase or disposal of treasury shares	—	—	(7,360)	(446)	—	—	—	(54)	(54)	(7,859)	—	(7,859)
Change in ownership interest in subsidiaries that do not result in loss of control	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payment transactions	—	—	—	—	—	—	—	139	139	139	—	139
Cancellation of subscription rights to shares	—	15	—	—	—	—	—	(15)	(15)	—	—	—
Others	—	(14)	(31)	—	31	—	—	—	31	(14)	—	(14)
Total transactions with owners	—	1	(15,320)	(446)	31	—	—	70	101	(15,664)	—	(15,664)
Balance at end of period	916	464	43,515	(2,196)	(7)	(15)	(6)	238	210	42,909	394	43,303

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	24,839	26,619
Adjustments to reconcile profit before income taxes		
Depreciation and amortization	1,766	3,219
Interest and dividend income	(14)	(24)
Decrease (increase) in trade and other receivables	(1,065)	282
Increase (decrease) in trade and other payables	644	123
Other	286	1,808
Subtotal	26,456	32,047
Interest and dividend income received	14	11
Interest paid	—	(24)
Income taxes paid	(8,180)	(8,038)
Net cash provided by (used in) operating activities	18,291	23,997
Cash flows from investing activities		
Purchase of property, plant and equipment	(572)	(1,249)
Purchase of intangible assets	(1,272)	(1,454)
Purchase of investment securities	(1,376)	(712)
Payments for lease and guarantee deposits	(166)	(518)
Other	223	(25)
Net cash provided by (used in) investing activities	(3,163)	(3,958)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	200	150
Repayments of long-term loans payable	(306)	(161)
Proceeds from long-term loans payable	180	100
Repayment of lease obligations	—	(1,290)
Purchase of treasury shares	(3,000)	(8,014)
Dividends paid	(7,133)	(7,928)
Proceeds from issuance of share options	294	141
Other	30	57
Net cash provided by (used in) financing activities	(9,734)	(16,946)
Effect of exchange rate change on cash and cash equivalents	(1)	(10)
Net increase (decrease) in cash and cash equivalents	5,393	3,082
Cash and cash equivalents at beginning of period	21,029	26,422
Cash and cash equivalents at end of period	26,422	29,504

(5) Notes on Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable.

(Changes in accounting policies)

The Group has applied the following accounting standard from the fiscal year ended March 31, 2020.

IFRS	Description of new standards and amendments
IFRS 16 Leases	Amendment to the accounting treatment for leases

The Group has applied IFRS 16 Leases (issued in January 2016, “IFRS 16”) from the fiscal year ended March 31, 2020.

In applying IFRS 16, the Group has applied the standard retrospectively in accordance with transitional measures by recognizing the cumulative effects of initial application as corrections to the beginning balance of retained earnings for the fiscal year ended March 31, 2020. In transitioning to IFRS 16, the Group has elected to apply the practical expedient provided in IFRS 16 paragraph C3 and maintained its assessment of whether a contract contains a lease under IAS 17 Leases (“IAS 17”) and IFRIC 4 Determining whether an Arrangement Contains a Lease.

The Group recognized lease liabilities at the date of initial application of IFRS 16 for leases that it had previously classified as operating leases under IAS 17. These lease liabilities have been measured at the present value of the outstanding lease payments discounted using the lessee’s incremental borrowing rate at the date of initial application. The weighted average of the lessee’s incremental borrowing rate applied to these liabilities recognized on the consolidated statement of financial position at the date of initial application is 0.5%.

The following is a reconciliation of operating lease contracts disclosed applying IAS 17 as of March 31, 2019 and lease liabilities recognized in the consolidated statement of financial position at the date of initial application.

(Millions of yen)

	Amount
Operating lease contracts disclosed as of March 31, 2019	773
Operating lease contracts disclosed as of March 31, 2019 (Discounted using the incremental borrowing rate)	771
Finance lease liabilities as of March 31, 2019	14
Non-cancellable operating lease contracts	613
Lease liabilities as of April 1, 2019	1,398

As a result of applying IFRS 16, retained earnings decreased 3 million yen at the beginning of the fiscal year ended March 31, 2020, compared with the application of the previous accounting standard.

In applying IFRS 16, the Group used the following practical expedients:

- A single discount rate is applied to portfolios of leases with reasonably similar characteristics.
- Leases for which the lease term ends within 12 months of the date of initial application are accounted for in the same way as short-term leases.
- Hindsight may be used, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(Changes in presentation)

Consolidated Statement of Cash Flows

“Payments for lease and guarantee deposits,” which was included in “Other” under “Cash flows from investing activities” in the fiscal year ended March 31, 2019, is presented as a separate item from the fiscal year ended March 31, 2020 due to an increase in its monetary materiality. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended March 31, 2019 have been reclassified.

As a result, “Other” of 57 million yen presented under “Cash flows from investing activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2019 has been reclassified as “Payments for lease and guarantee deposits” of (166) million yen and “Other” of 223 million yen.

In the fiscal year ended March 31, 2019, “Proceeds from short-term loans payable” and “Repayments of short-term loans payable” were presented as separate items under “Cash flows from financing activities.” From the fiscal year ended March 31, 2020, these items have been presented as “Net increase (decrease) in short-term loans payable” on a net basis since the duration of these loans is short and their turnover is rapid. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended March 31, 2019 have been reclassified.

As a result, “Proceeds from short-term loans payable” of 500 million yen and “Repayments of short-term loans payable” of (300) million yen have been reclassified as “Net increase (decrease) in short-term loans payable” of 200 million yen.

(Segment information)

(1) Outline of reportable segments

The Group’s reportable segments comprise the business units of the Group for which separate financial information is available and of which the Board of Directors periodically conducts reviews for the purpose of determining the allocation of management resources and evaluating their business results.

The Group has established business divisions and subsidiaries by service, and each business division and subsidiary draw up comprehensive domestic and overseas strategies of the services for which it is responsible and engages in business activities.

The Group, thus, comprises segments based on services under the business divisions and subsidiaries, which have been divided into the reportable segments of Internet Media and Finance.

The Internet Media segment mainly consists of the customer purchasing support site Kakaku.com and restaurant search and reservation site Tabelog, as well as Kyujin Box, a job classified site; Sumaity, a real estate/housing information site; 4travel, a travel review and comparison site operated by 4travel, Inc., a consolidated subsidiary; eiga.com, a comprehensive movie information site operated by eiga.com, Inc., a consolidated subsidiary; webCG, a dedicated automobile site operated by webCG, Inc., a consolidated subsidiary; a dynamic package business of the consolidated subsidiary, Time Design Co., Ltd.; Bus Hikaku Navi, a bus trip comparison service operated by LCL Incorporated., a consolidated subsidiary; and the movie contents and website production of gaie, Inc., a consolidated subsidiary.

The Finance segment is engaged in the insurance agency business through Kakaku.com Insurance, Inc., a consolidated subsidiary.

(2) Information on the amounts of revenue, profit/loss, assets and other items by reportable segment

Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segment			Adjustments (Notes 1, 2)	Amount reported in the consolidated financial statements
	Internet Media	Finance	Total		
Revenue					
Revenue from external customers	53,112	1,720	54,832	—	54,832
Inter-segment revenue or transfers	3	—	3	(3)	—
Total	53,115	1,720	54,835	(3)	54,832
Operating expenses	28,640	1,156	29,796	(8)	29,789
Segment income	24,503	561	25,065	5	25,070
Finance income					15
Finance expenses					7
Share of profit (loss) of associates and joint ventures accounted for by the equity method					(238)
Profit before income taxes					24,839
Other items					
Depreciation and amortization	1,749	17	1,766	—	1,766
Capital expenditures (Note 3)	1,837	33	1,870	—	1,870
Segment assets	49,533	1,779	51,312	(70)	51,242

(Note 1) Adjustments of segment income refer to the elimination of intersegment transactions.

(Note 2) Adjustments of segment assets refer to the elimination of intersegment receivables and payables.

(Note 3) Capital expenditures include investments in property, plant and equipment, and intangible assets.

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segment			Adjustments (Notes 1, 2)	Amount reported in the consolidated financial statements
	Internet Media	Finance	Total		
Revenue					
Revenue from external customers	58,755	2,223	60,978	—	60,978
Inter-segment revenue or transfers	3	—	3	(3)	—
Total	58,758	2,223	60,981	(3)	60,978
Operating expenses	32,217	1,489	33,706	(8)	33,698
Segment income	26,480	733	27,212	5	27,217
Finance income					26
Finance expenses					228
Share of profit (loss) of associates and joint ventures accounted for by the equity method					(396)
Profit before income taxes					26,619
Other items					
Depreciation and amortization	3,199	20	3,219	—	3,219
Capital expenditures (Note 3)	2,683	20	2,703	—	2,703
Segment assets	60,895	2,494	63,390	(73)	63,317

(Note 1) Adjustments of segment income refer to the elimination of intersegment transactions.

(Note 2) Adjustments of segment assets refer to the elimination of intersegment receivables and payables.

(Note 3) Capital expenditures include investments in property, plant and equipment, and intangible assets.

(Per share data)

Basic earnings per share and diluted earnings per share attributable to owners of the parent company are as follows.

	Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Basic earnings per share (yen)	79.70	88.25
Diluted earnings per share (yen)	79.66	88.20

The basis for calculating basic earnings per share and diluted earnings per share attributable to owners of the parent company is as follows.

	Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Basic earnings per share		
Profit attributable to owners of the parent company (Millions of yen)	16,697	18,348
Amounts not attributable to common shareholders of the parent company (Millions of yen)	—	—
Amount of profit used in the calculation of basic earnings per share (Millions of yen)	16,697	18,348
Average number of outstanding common stock during the period (shares)	209,491,700	207,911,788
Diluted earnings per share		
Adjustment to profit (Millions of yen)	—	—
Amount of profit used in the calculation of diluted earnings per share (Millions of yen)	16,697	18,348
Increase in number of common stock (shares)	97,981	110,723
[Stock acquisition rights] (shares)	[97,981]	[110,723]
Summary of dilutive stock not included in the calculation of diluted earnings per share due to not having dilutive effects	12 th Series of Stock Acquisition Rights by resolution of the Board of Directors on September 19, 2018 (Number of stock acquisition rights: 2,130 units)	—

(Significant subsequent events)

Not applicable.