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Securities Code: 2371

June 2, 2020

To Our Shareholders:

Shonosuke Hata  
President and Representative Director  
**Kakaku.com, Inc.**  
3-5-7 Ebisu-Minami, Shibuya-ku, Tokyo

## Notice of the 23rd Annual General Meeting of Shareholders

You are cordially invited to attend the 23rd Annual General Meeting of Shareholders of Kakaku.com, Inc. (the “Company”), which will be held as indicated below.

Recently, the government and prefectural governors have been strongly requesting that people voluntarily stay at home to prevent the spread of the novel coronavirus disease (COVID-19). In response to this situation, and as a result of careful consideration, the Company will be holding this General Meeting of Shareholders upon implementing appropriate measures to prevent the spread of infection.

In light of this situation where people are strongly being requested to stay at home, regarding this meeting, **the Company is strongly requesting that shareholders exercise their voting rights in writing or via the Internet to the best of their ability and refrain from attending on the day of the General Meeting of Shareholders regardless of physical condition from the perspective of preventing the spread of COVID-19.**

**Please exercise your voting rights by 7:00 p.m. on Wednesday, June 17, 2020 (JST) after reviewing the attached Reference Documents for General Meeting of Shareholders.**

### **[Exercise of voting rights in writing (voting card)]**

Please indicate your approval or disapproval to each proposal on the enclosed voting card and return it so that it will be received by us no later than the above date and time.

### **[Exercise of voting rights via the Internet]**

Please read the “Instructions for exercising voting rights via the Internet” on page 37 and access the voting website designated by the Company (<https://www.web54.net>) and exercise your voting rights no later than the above date and time.

Gifts will not be provided at the General Meeting of Shareholders. We ask for your understanding.

- 1. Date and Time:** Thursday, June 18, 2020, at 10:00 a.m. (Reception will commence at 9:00 a.m.)
- 2. Venue:** “HOURAI,” 2nd floor, Meiji Kinenkan  
2-2-23 Moto-Akasaka, Minato-ku, Tokyo  
\*The number of seats prepared will be significantly reduced in order to broaden the space between seats to prevent the spread of COVID-19. Due to this, even if you come to attend, the Company may refuse entry. We ask for your understanding.

**3. Purpose of the Meeting**

**Matters to be reported**

1. The Business Report and the Consolidated Financial Statements for the 23rd fiscal year (from April 1, 2019 to March 31, 2020), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-Consolidated Financial Statements for the 23rd fiscal year (from April 1, 2019 to March 31, 2020)

**Matters to be resolved**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Election of Nine (9) Directors

1. When you attend the meeting, you are kindly requested to present the enclosed voting card at the meeting reception.
2. Among the documents to be provided to this notice, the items below are posted on the Company’s website (<https://corporate.kakaku.com/ir>) pursuant to laws and regulations, as well as Article 18 of the Articles of Incorporation.  
(1) and (2) below are included in the Business Report that was audited by Auditors when preparing the Audit Report. (3) and (4) are included in the Consolidated Financial Statements and the Non-Consolidated Financial Statements that were audited by the Financial Auditor and the Auditors when preparing the Audit Report.  
(1) “Matters Concerning Share acquisition rights of the Company” in the Business Report  
(2) “System to ensure appropriate business and outline of the operating status of such systems” in the Business Report  
(3) Notes to Consolidated Financial Statements  
(4) Notes to Non-Consolidated Financial Statements
3. If it becomes necessary to make changes to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements or the Reference Documents for General Meeting of Shareholders, such changes will be posted on the Company’s website (<https://corporate.kakaku.com/ir>).

### **Requests to Shareholders**

- Exercise of voting rights with the voting card carries the risk of infection due to the process of returning/collecting the card and tallying the votes. Therefore, the Company asks you to exercise voting rights via the Internet if possible when exercising voting rights prior to the meeting.
- Shareholders attending this General Meeting of Shareholders in person are requested to check the status of infection on the date of the meeting and take note of your own health condition. Please take measures to protect yourself from infection, such as wearing a face mask, when you attend. Specifically, the Company asks our shareholders who are elderly, have pre-existing conditions or are pregnant to carefully consider whether or not to attend.
- The Company will take everyone's temperature near the entrance to the venue, and people who are found to have fevers, people who feel unwell, and people who have returned to Japan within 14 days will be refused entry and be asked to leave. If 14 days have not passed since returning to Japan, please inform the reception desk.
- Officers of the Company and venue staff will wear masks after confirming their physical condition, which includes taking their temperature as a measure to prevent the spread of COVID-19. In addition to setting up alcohol disinfectant at the venue for shareholders, the Company will also leave more space between seats than usual. The Company asks for your understanding and cooperation as it will also take other measures to prevent the spread of COVID-19.
- At this meeting, the Company may omit the detailed explanations regarding the matters to be reported (including the Audit Report) and the proposals, in order to shorten the length of the meeting to prevent the spread of COVID-19. The Company asks shareholders to look over the Notice of the 23rd Annual General Meeting of Shareholders and the Reference Documents for General Meeting of Shareholders prior to the meeting.
- If the situation going forward gives rise to any changes to the venue, start time, or other aspects of the running of the General Meeting of Shareholders on the day, the Company will post notifications on the following website. Please check the website to confirm.

<https://corporate.kakaku.com/ir>

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Information

#### **Proposal No. 1:** Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

##### Year-end dividends

The Company has given consideration to the business performance of the current fiscal year and future business development, and it proposes to pay year-end dividends for the 23rd fiscal year as follows:

##### 1. Type of dividend property

To be paid in cash.

##### 2. Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of 20 yen per common share of the Company.

In this event, the total dividends will be 4,117,368,840 yen.

As the Company paid an interim dividend of 20 yen per share, the annual dividend for the fiscal year under review will be 40 yen per share.

##### 3. Effective date of dividends of surplus

Friday, June 19, 2020

**Proposal No. 2:** Election of Nine (9) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this meeting. At this juncture, the Company proposes the election of nine (9) Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position at the Company	Attributes
1	Kaoru Hayashi	Chairman of the Board	[Reelection] [Male]
2	Shonosuke Hata	Representative Director, President and Executive Officer	[Reelection] [Male]
3	Atsuhiko Murakami	Director and Executive Officer	[Reelection] [Male]
4	Shingo Yuki	Director and Executive Officer	[Reelection] [Male]
5	Kanako Miyazaki	Director and Executive Officer General Manager, Shopping Business Division	[Reelection] [Female]
6	Tomoharu Kato	External Director	[Reelection] [External Director] [Independent Officer] [Male]
7	Kazuyoshi Miyajima	External Director	[Reelection] [External Director] [Independent Officer] [Male]
8	Masayuki Kinoshita	—	[New] [External Director] [Independent Officer] [Male]
9	Kazukuni Tada	—	[New] [External Director] [Male]

[Reelection] Candidate for Director to be reelected

[New] New candidate for Director

[External Director] Candidate for External Director

[Independent Officer] Candidate for Independent Officer registered with the securities exchange

Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	
1	<b>Kaoru Hayashi</b> [Reelection] [Male]  <b>Date of birth:</b> December 26, 1959  <b>Number of shares held in the Company:</b> 156,800 shares  <b>Attendance at the meetings of the Board of Directors:</b> 17/17	Aug. 1995	Founder and Representative Director, Digital Garage, Inc.
		Jul. 2002	Representative Chairman, the Company
		Jun. 2003	Chairman of the Board, the Company (present post)
		Oct. 2015	Director President and Chairman, econtext ASIA Limited (present post)
		Jun. 2016	Outside Director, Credit Saison Co., Ltd. (present post)
		Sep. 2016	Representative Director, Chairman and CEO, BI.Garage, Inc. (present post)
		Sep. 2016	Representative Director, President Executive Officer and Group CEO, Digital Garage, Inc. (present post)
		May 2017	Representative Director, Chairman and CEO, DG Incubation, Inc. (currently DG Ventures, Inc.) (present post)
		Aug. 2018	Chairman CEO, DG Communications Co., Ltd. (present post)
		[Reason for the nomination of the candidate for Director] Mr. Kaoru Hayashi has been focused on future potential since the early days of personal internet services in Japan and has been involved in the internet business as an entrepreneur since founding Digital Garage, Inc. He has a high level of knowledge about the internet business, including global IT technology trends. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.	
Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	
2	<b>Shonosuke Hata</b> [Reelection] [Male]  <b>Date of birth:</b> January 10, 1974  <b>Number of shares held in the Company:</b> 15,500 shares  <b>Attendance at the meetings of the Board of Directors:</b> 17/17	Apr. 1999	Joined Japan Tobacco Inc.
		Dec. 2001	Joined the Company
		Apr. 2003	General Manager of Sales Division, the Company
		Jul. 2005	Operating Officer, General Manager of Third Business Division, the Company
		Jun. 2006	Director, Chief Director of Products Division, the Company
		Apr. 2007	Director, eiga.com, Inc. (present post)
		Apr. 2009	Director, Chief Director of Sales Division, the Company
		Apr. 2010	Director, Chief Director of Business Promotion Division, the Company
		Apr. 2014	Director, General Manager of Business Development, the Company
		Apr. 2015	Director, the Company
		Jun. 2016	President and Representative Director, the Company
		Jun. 2017	Director, Time Design Co., Ltd. (present post)
		Jan. 2018	Director, LCL, Inc. (present post)
		Mar. 2018	Director, gaie Inc. (present post)
		Jul. 2019	Representative Director, President and Executive Officer, the Company (present post)
		[Reason for the nomination of the candidate for Director] Mr. Shonosuke Hata has planned and developed a variety of businesses, including internet advertising since joining the Company, and has served as President and Representative Director of the Company since 2016. He has exerted great efforts in the advancement of the Group and appropriate decision-making. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.	

Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	
3	<p><b>Atsuhiko Murakami</b> [Reelection] [Male]</p> <p><b>Date of birth:</b> January 9, 1975</p> <p><b>Number of shares held in the Company:</b> 6,500 shares</p> <p><b>Attendance at the meetings of the Board of Directors:</b> 17/17</p>	<p>May 1998      Joined Andersen Consulting (currently Accenture Japan Ltd)</p> <p>Oct. 2002      Joined Arrows Consulting Inc. (currently EY Advisory &amp; Consulting Co., Ltd.)</p> <p>Oct. 2004      Joined the Company</p> <p>May 2006      Manager of CGM Promotion Office, Business Development Division, the Company</p> <p>May 2008      Deputy Chief Director of Business Development Division, the Company</p> <p>Apr. 2009      Operating Officer, Chief Director of Tabelog Division, the Company</p> <p>Jun. 2011      Senior Executive Officer, Chief Director of Tabelog Division, the Company</p> <p>Jun. 2012      Director, Chief Director of Tabelog Division, General Manager of New Business Division, the Company</p> <p>Apr. 2013      Director, Manager of New Business Preparation Office, the Company</p> <p>Aug. 2014      External Director, Bengo4.com, Inc. (present post)</p> <p>Apr. 2015      Director, the Company</p> <p>Jun. 2016      Director, forTravel, Inc. (present post)</p> <p>Jul. 2019      Director and Executive Officer, the Company (present post)</p> <p>Responsible for Tabelog</p>	
	<p>[Reason for the nomination of the candidate for Director]</p> <p>Since the establishment of the Tabelog business, Mr. Atsuhiko Murakami has been responsible for expanding and monetizing the business, growing it into a leading business for the Group. He has also exerted great efforts on creating and nurturing new businesses. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.</p>		
Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	
4	<p><b>Shingo Yuki</b> [Reelection] [Male]</p> <p><b>Date of birth:</b> May 13, 1975</p> <p><b>Number of shares held in the Company:</b> 30,300 shares</p> <p><b>Attendance at the meetings of the Board of Directors:</b> 17/17</p>	<p>Apr. 1999      Joined ITOCHU TECHNO-SCIENCE Corporation (currently ITOCHU Techno-Solutions Corporation)</p> <p>Mar. 2004      Joined the Company</p> <p>Jul. 2005      General Manager of First Business Division, the Company</p> <p>May 2006      Operating Officer, General Manager of Brand Marketing Division, the Company</p> <p>Jun. 2008      Senior Executive Officer, General Manager of Shopping Media Department, Products Division, the Company</p> <p>Jun. 2010      Director, General Manager of Shopping Media Department, Kakaku.com Division, the Company</p> <p>Apr. 2013      Director, the Company</p> <p>Jun. 2017      President and Representative Director, Kakaku.com Insurance, Inc. (present post)</p> <p>Jul. 2019      Director and Executive Officer, the Company (present post)</p> <p>Responsible for Marketing, Sales, Business Development and Customer Service</p>	
	<p>[Reason for the nomination of the candidate for Director]</p> <p>Mr. Shingo Yuki has been involved in the Kakaku.com business since joining the Company and has promoted the business as a manager responsible for shopping content, including the development of services using internet marketing. He has exerted great efforts to increase the number of users of the Group's services overall. The Company has nominated him as a candidate for reelection as Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.</p>		

Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)
5	<p><b>Kanako Miyazaki</b> The officially registered name: Kanako Niina [Reelection] [Female]</p> <p><b>Date of birth:</b> November 9, 1979</p> <p><b>Number of shares held in the Company:</b> 4,300 shares</p> <p><b>Attendance at the meetings of the Board of Directors:</b> 13/13 *</p>	<p>Apr. 2002      Joined Accenture Japan Ltd</p> <p>Jan. 2005      grandoir co., Ltd. (currently grandoir international co., Ltd.)</p> <p>Aug. 2008      Joined Sedona Corporation</p> <p>Oct. 2010      Joined the Company</p> <p>Apr. 2013      Manager of Online Reservation Department, Tabelog Division, the Company</p> <p>Apr. 2014      Manager of Restaurant Business Department, Tabelog Division, the Company</p> <p>Apr. 2015      Operating Officer, General Manager of Media Planning Division and Manager of Kakaku.com Department, Media Planning Division, the Company</p> <p>Apr. 2016      Operating Officer, General Manager of Media Planning Division, the Company</p> <p>Jun. 2016      Director, Kakaku.com Insurance, Inc. (present post)</p> <p>Apr. 2017      Operating Officer, Chief Director of Kakaku.com Division, the Company</p> <p>Jun. 2019      Director, webCG, Inc. (present post)</p> <p>Jun. 2019      Director, General Manager of Kakaku.com Division, the Company</p> <p>Jul. 2019      Director and Executive Officer, General Manager of Kakaku.com Division, the Company</p> <p>Apr. 2020      Director and Executive Officer, General Manager of Shopping Business Division, the Company (present post)</p> <p>Responsible for Kakaku.com</p> <p>[Reason for the nomination of the candidate for Director] Ms. Kanako Miyazaki has held key roles in the Tabelog business and the Kakaku.com business, and has exerted great efforts on creating and nurturing new services and strengthening of content, supporting the growth of both businesses. She has acquired extensive experience and insight in these businesses, and the Company has nominated her as a candidate for reelection as Director because we have determined that she can be expected to play a suitable role in the expansion of the Company's business and its overall management in the future.</p>
6	<p><b>Tomoharu Kato</b> [Reelection] [External Director] [Independent Officer] [Male]</p> <p><b>Date of birth:</b> September 8, 1974</p> <p><b>Number of shares held in the Company:</b> —</p> <p><b>Attendance at the meetings of the Board of Directors:</b> 17/17</p>	<p>Apr. 1999      Joined Deutsche Securities (currently Deutsche Bank)</p> <p>Apr. 2000      Joined McKinsey &amp; Company</p> <p>Apr. 2004      Joined FIELDS CORPORATION</p> <p>Dec. 2007      Joined Unison Capital, Inc. On loan to AKINDO SUSHIRO CO., LTD., Manager of President's Office</p> <p>Dec. 2008      Managing Director, AKINDO SUSHIRO CO., LTD.</p> <p>Oct. 2012      Director and COO, AKINDO SUSHIRO CO., LTD.</p> <p>Mar. 2014      Founder, President and Representative Director, Turnaround Management CO., LTD.</p> <p>Jun. 2015      Joined XEBIO Co., Ltd.</p> <p>Oct. 2015      President and Representative Director, XEBIO Co., Ltd. (present post)</p> <p>Oct. 2015      Executive Vice President, XEBIO HOLDINGS CO., LTD. (present post)</p> <p>Feb. 2017      Outside Director, TECHNO SYSTEM CO., LTD (present post)</p> <p>Jun. 2017      External Director, the Company (present post)</p> <p>[Reason for the nomination of the candidate for External Director] Mr. Tomoharu Kato has provided practical suggestions based on his extensive experience in various sectors and broad discernment cultivated through his career as a manager. Therefore, the Company has nominated him as a candidate for reelection as External Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and the further strengthening of the corporate governance system in the future.</p>



Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)
7	<p><b>Kazuyoshi Miyajima</b> [Reelection] [External Director] [Independent Officer] [Male]</p> <p><b>Date of birth:</b> January 28, 1950</p> <p><b>Number of shares held in the Company:</b> —</p> <p><b>Attendance at the meetings of the Board of Directors:</b> 12/13 *</p>	<p>Apr. 1973      Joined The Daiei, Inc.</p> <p>May 1995      Director, Manager of Secretary's Office, The Daiei, Inc.</p> <p>May 1999      Managing Executive Officer, Manager of Secretary's Office, The Daiei, Inc.</p> <p>Jan. 2001      Joined FANCL CORPORATION</p> <p>Jun. 2001      Director, Manager of President's Office, FANCL CORPORATION</p> <p>Apr. 2003      Managing Director, in charge of President's Office and Manager of President's Office, FANCL CORPORATION</p> <p>Jun. 2004      Executive Director, in charge of President's Office and Manager of President's Office, FANCL CORPORATION</p> <p>Mar. 2007      President and Representative Director, FANCL CORPORATION</p> <p>Jun. 2008      Chairman and Representative Director, FANCL CORPORATION</p> <p>Apr. 2013      President and Representative Director, FANCL CORPORATION</p> <p>Apr. 2017      Vice Chairman and Executive Director, FANCL CORPORATION</p> <p>Jun. 2017      Administrative Officer, THE SAGAMI SHINKIN BANK (present post)</p> <p>Jun. 2019      External Director, the Company (present post)</p> <p>Jan. 2020      Senior Advisor, FANCL CORPORATION (present post)</p> <p>[Reason for the nomination of the candidate for External Director] Mr. Kazuyoshi Miyajima has held important posts in the public relations, secretarial and IR departments, and served as Representative Director of FANCL CORPORATION for 10 years. He has provided practical suggestions based on his extensive knowledge in corporate communications and broad discernment cultivated as a manager. Therefore, the Company has nominated him as a candidate for reelection as External Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and the further strengthening of the corporate governance system in the future.</p>
8	<p><b>Masayuki Kinoshita</b> [New] [External Director] [Independent Officer] [Male]</p> <p><b>Date of birth:</b> April 11, 1954</p> <p><b>Number of shares held in the Company:</b> —</p> <p><b>Attendance at the meetings of the Board of Directors:</b> —</p>	<p>Apr. 1978      Joined MITSUI &amp; CO., LTD.</p> <p>Apr. 2004      General Manager of Corporate Planning &amp; Strategy Division, MITSUI &amp; CO., LTD.</p> <p>Apr. 2007      Chief Operating Officer of Mineral &amp; Metal Resources Business Unit, MITSUI &amp; CO., LTD.</p> <p>Apr. 2008      Managing Officer, Chief Operating Officer of Mineral &amp; Metal Resources Business Unit, MITSUI &amp; CO., LTD.</p> <p>Apr. 2010      Executive Managing Officer, Chief Operating Officer of Mineral &amp; Metal Resources Business Unit, MITSUI &amp; CO., LTD.</p> <p>Apr. 2011      Executive Managing Officer, Chief Information Officer, Chief Privacy Officer, MITSUI &amp; CO., LTD.</p> <p>Jun. 2011      Representative Director, Executive Managing Officer, Chief Information Officer; Chief Privacy Officer, MITSUI &amp; CO., LTD.</p> <p>Apr. 2012      Representative Director, Senior Executive Managing Officer, Chief Information Officer; Chief Privacy Officer, MITSUI &amp; CO., LTD.</p> <p>Apr. 2014      Representative Director, Executive Vice President, Chief Information Officer, Chief Privacy Officer, MITSUI &amp; CO., LTD.</p> <p>Apr. 2016      Director, MITSUI &amp; CO., LTD.</p> <p>Jun. 2016      Counselor, MITSUI &amp; CO., LTD.</p> <p>Jun. 2016      Outside Director, NS UNITED KAIUN KAISHA, LTD. (present post)</p> <p>[Reason for the nomination of the candidate for External Director] Mr. Masayuki Kinoshita has served as Representative Director, Executive Vice President of MITSUI &amp; CO., LTD. The Company has nominated him as a candidate for External Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and the further strengthening of the corporate governance system based on his experience in international business and extensive knowledge cultivated as a Chief Information Officer and Chief Privacy Officer of a general trading company, and broad discernment cultivated as a manager.</p>

Candidate No.		Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)
9	<b>Kazukuni Tada</b> [New] [External Director] [Male]  <b>Date of birth:</b> January 26, 1968  <b>Number of shares held in the Company:</b> –  <b>Attendance at the meetings of the Board of Directors:</b> –	Apr. 1992    Joined DDI CORPORATION (currently KDDI CORPORATION) Apr. 2013    Manager of Consumer Marketing Department II, Consumer Business Strategy Division, Consumer Business Sector, KDDI CORPORATION Apr. 2018    Deputy General Manager of Consumer Business Strategy Division, Consumer Business Sector, KDDI CORPORATION Jun. 2018    Director, KDDI FINANCIAL SERVICE CORPORATION Jun. 2018    Director, au Jibun Bank Corporation Apr. 2019    Administrative Officer, General Manager of Advanced Business Development Division, Life Design Business Sector, and Deputy General Manager of Consumer Business Strategy Division, KDDI CORPORATION Oct. 2019    Administrative Officer, General Manager of Business Development Division, Personal Business Sector, and Deputy General Manager of Consumer Business Strategy Division, KDDI CORPORATION Oct. 2019    Director, au Financial Holdings Corporation (present post) Mar. 2020    Director, Loyalty Marketing, Inc. (present post) Apr. 2020    Executive Officer, Services Sector, Personal Business Sector, and Manager of Integration of Telecommunications and Life Design, KDDI CORPORATION (present post)
	[Reason for the nomination of the candidate for External Director] Mr. Kazukuni Tada has served as Executive Officer of KDDI CORPORATION. The Company has nominated him as a candidate for External Director because we have determined that he can be expected to play a suitable role in the expansion of the Company's business and the further strengthening of the corporate governance system based on his extensive experience and broad discernment gained through engaging in important positions in core business, including the business strategy department, of that company.	

- Notes: 1. Mr. Tomoharu Kato, Mr. Kazuyoshi Miyajima, Mr. Masayuki Kinoshita and Mr. Kazukuni Tada are candidates for External Directors.
2. \* indicates attendance at the meetings of the Board of Directors since assuming their posts on June 18, 2019.
3. Candidate for Director Kaoru Hayashi is the Representative Director, President Executive Officer and Group CEO of Digital Garage, Inc. The aforementioned company is a major shareholder of the Company and an "other affiliated company." The Company has a business relationship involving an advertising contract with the aforementioned company; however, this relationship was established after receiving approval from the Company's Board of Directors and conducting proper procedures.
4. Candidate for External Director Kazukuni Tada is an Executive Officer of KDDI CORPORATION. The aforementioned company is a major shareholder of the Company and an "other affiliated company." In addition, the aforementioned company and the Company have entered into a basic agreement related to a business alliance.
5. Candidate for External Director Tomoharu Kato is the President and Representative Director of XEBIO Co., Ltd., which has a business relationship with the Company. However, the transaction amount between the two companies is less than 0.1% of consolidated net sales of the Company for the current fiscal year.
6. Candidate for External Director Kazuyoshi Miyajima is a Senior Advisor of FANCL CORPORATION, which has a business relationship with the Company. However, the transaction amount between the two companies is insignificant in the consolidated financial statements for the current fiscal year.
7. There is no special interest between any other candidates for Director and the Company.
8. Candidates for External Director Tomoharu Kato and Kazuyoshi Miyajima are currently External Directors of the Company. At the conclusion of this meeting, their respective tenure as External Director will be three years for Mr. Tomoharu Kato and one year for Mr. Kazuyoshi Miyajima.
9. The Company has entered into agreements with Mr. Tomoharu Kato and Mr. Kazuyoshi Miyajima to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the maximum stipulated in laws and regulations based on the provision of Article 427, paragraph 1 of the Companies Act and the Articles of Incorporation. If the reelection of Mr. Tomoharu Kato and Mr. Kazuyoshi Miyajima is approved, the Company plans to renew the aforementioned agreements with them. If the election of Mr. Masayuki Kinoshita and Mr. Kazukuni Tada is approved, the Company plans to enter into the same limited liability agreement with them.
10. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Tomoharu Kato and Mr. Kazuyoshi Miyajima as independent officers as provided for by the aforementioned exchange. Furthermore, Mr. Masayuki Kinoshita satisfies the requirements for an independent officer as provided for by the aforementioned exchange. The Company plans to submit notification to the aforementioned exchange concerning the three candidates as independent officers conditional upon the approval and adoption of this proposal.

(Attached materials)

## **Business Report** (From April 1, 2019 to March 31, 2020)

### **1. Current Status of the Group**

#### (1) Progress of the business and the results thereof

With the corporate mission of “LIFE with -To become a part of people’s daily lives-” the Company is developing business across a broad range of genres, seeking to get closer to individuals with a view to enriching their lives with the internet. Beginning with the purchase support service “Kakaku.com,” which has been providing services since the Company was established, we now provide at least 20 services, including the restaurant discovery and reservation site “Tabelog.” Each individual business has been aiming to achieve sustained growth driving the performance of the Group as a whole.

In the fiscal year ended March 31, 2020, despite the Japanese economy showing signs of recovery due to the effects of various policies, such as improvements in the income environment and employment, and personal consumption gradually picking up, the uncertain outlook of the economy continued due to factors such as the impact of fluctuations in financial markets, a swing-back following a surge in demand associated with the consumption tax hike, and concerns over stagnation of economic activity due to the growing spread of COVID-19.

Amid such an environment, the Kakaku.com site attracted 63.09 million monthly unique users (\*1) in March 2020. Comparison services for products and services performed strongly, especially in the first half of the fiscal year due to the impact of the rush in demand immediately before the consumption tax hike, the promotion of cashless payments, etc. Tabelog had 106.47 million monthly unique users (\*1) in March 2020. The number of fee-based service plan subscribers and the number of online reservations increased. Commission revenues grew for the job classifieds site “Kyujin Box,” due to the growth in monthly usership and an increase in the customer referral rate, for the online residential real estate portal “Sumait” due to a rise in inquiries about properties, and for “Kakaku.com Insurance” due to an increase in the number of online applications for insurance coverage.

As a result, consolidated revenue grew 11.2% year on year to 60,978 million yen, consolidated operating profit grew 8.6% year on year to 27,217 million yen, consolidated profit before income taxes grew 7.2% year on year to 26,619 million yen and consolidated profit attributable to owners of the parent company grew 9.9% year on year to 18,348 million yen in the fiscal year ended March 31, 2020.

Results by segment are as follows.

#### 1) Internet Media Business

The Internet media business’s revenue grew 10.6% year on year to 58,755 million yen while profit for this segment grew 8.1% year on year to 26,480 million yen in the fiscal year ended March 31, 2020.

[Kakaku.com]

In Kakaku.com’s shopping business and advertising business, revenue increased in the first half of the fiscal year due to a surge in consumer demand prior to the consumption tax hike; but then sales in the second half of the fiscal year decreased due to a swing-back following the surge in consumer demand prior to the consumption tax hike and the impact of the growing spread of COVID-19 in the fourth quarter of the fiscal year. As a result, in the shopping business, revenue increased 0.8% year on year to 9,328 million yen, and in the advertising business, revenue increased 3.0% year on year to 4,585 million yen. In the service business, revenue increased 14.1% year on year to 10,046 million yen due to significant increases in sales in the finance domain.

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

[Tabelog]

In Tabelog's Restaurant Promotion business, subscriptions of a fee-based plan (\*2) increased. Furthermore, despite the impact of COVID-19 during the fourth quarter of the fiscal year, over the full year the ratio of bookings made online and online reservation bookings both increased year on year by virtue of an increase in restaurants that accept online reservations. As a result, revenue increased by 12.6% year on year to 21,509 million yen. In the Premium Memberships business, revenue decreased by 19.1% year on year to 2,337 million yen in response to a decrease in fee-paying members. In Tabelog's advertising business, revenue increased by 7.0% year on year to 2,522 million yen, boosted by increased revenues in banner and advertorial advertising.

As a result, Tabelog's revenue grew 8.3% year on year to 26,369 million yen.

[New Media and Solutions]

In the new media and solutions business, commission revenues saw an increase in association with an increase in the number of users for the job classifieds site "Kyujin Box" and an increase in the number of inquiries regarding properties on the online residential real estate portal "Sumaity."

As a result, the new media and solutions business's revenue grew 34.8% year on year to 8,426 million yen.

2) Finance Business

Consolidated subsidiary Kakaku.com Insurance, Inc. achieved major growth in commission revenue due to growth in online applications for both life and non-life insurance coverage in its insurance agency business.

The finance business's revenue consequently increased 29.3% year on year to 2,223 million yen while profit for this segment increased by 30.5% year on year to 733 million yen in the fiscal year ended March 31, 2020.

\*1. Source: 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.

\*2. The fee-based plans comprise a plan that consists of both a monthly fixed fee and a variable fee based on online bookings that provides promotional services and online reservations to restaurants, and a plan that only consists of a monthly fixed fee.

(2) Capital expenditures

Capital expenditures in the fiscal year under review stood at 2,703 million yen, and the principal components were expenditures on system-related servers and software, and construction of accompanying facilities to buildings in conjunction with the expansion of office floor space.

(3) Fund procurement

No items to report.

(4) Business transfers, absorption-type company splits and incorporation-type company splits

No items to report.

(5) Business transfers from other companies

No items to report.

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

No items to report.

- (7) Acquisition or disposal of shares, other equities or share acquisition rights of other companies

No items to report.

- (8) Issues to be addressed

The spread of COVID-19 is causing changes in consumer behavior that are having a major impact on the Group's business environment, including the concentration of demand on living essentials after the state of emergency declaration, consumers refraining from dining out or traveling. In addition, many uncertainties remain, such as when COVID-19 will be brought under control, and what economic measures will be taken by the government. As a result, the Group expects that it will remain difficult to predict future developments for some time.

Amid such an environment, the Group will continue to provide services going forward that are useful to various types of lifestyles and create an abundant daily life through the development of businesses that respond to various lifestyle types such as those that provide information, such as the purchase support service "Kakaku.com," the restaurant discovery and reservation site "Tabelog," the online residential real estate portal "Sumaity," and the job classifieds site "Kyujin Box," those that provide dynamic package platforms; and those that provide consulting services for selecting insurance.

Therefore, the Group is involved in the following four key areas.

- 1) The Group is aiming to raise the difference of the composition of consolidated revenue between the new media and solutions business and the finance business to 20%. In order to achieve this, the Group will work to expand the number of users by further enhancing existing contents in these businesses, as well as expand business fields by proactively making investments that correspond to the growth stage of each business in addition to creating new businesses that grasp users' essential issues, and continue to provide services for various lifestyle types.
- 2) The Company regards people as an important management resource, and the securing and training of personnel as important issues. The Company will carry out active recruitment to respond to an expansion in business scale and the diversification of business activities, and work to boost organizational capabilities by strengthening training for employees. Furthermore, the Company will focus on creating a comfortable working environment where employees can further display their strengths.
- 3) In the businesses that the Company operates, the security, development, and maintenance and management structure for website related systems are critical due to the nature of the businesses, and we need to keep enhancing these structures. The Company will continuously maintain security adapted to changes in the market environment and to establish system development and system maintenance and management structures.
- 4) In order to increase the effectiveness and efficiency of management, guarantee the reliability of financial reporting, and comply with various laws and regulations, the Company will continuously promote the establishment and enhancement of the internal control system and make efforts to strengthen internal management structures.

- (9) CSR initiatives

Kakaku.com will work on financial, societal, and environmental issues through its corporate activities as a company that exists together with peoples' lifestyles.

<Issues addressed by Kakaku.com>

1) Conservation of the global environment

The Company conserves energy, promotes recycling, and promotes green purchasing with the aim of reducing the burden of its business offices on the environment. Furthermore, the Company provides reconstruction aid to disaster areas through an NPO.

2) Realization of an abundant society

The Company is aiming to create a company where it is comfortable for employees to work, and is working on initiatives for both the working environment and the personnel system. Furthermore, the Company is aiming for an abundant society, and supports the development of sports and culture.

3) Development of the Internet industry

The Company is strengthening information security for the safe provision of information, and is cooperating to support the development of IT technologies. Furthermore, the Company is working with industry organizations, and working on measures to stimulate the overall Internet industry.

(10) Status of assets and profit and loss

1) Japanese-GAAP

Category	20th fiscal year (Fiscal year ended March 31, 2017)	21st fiscal year (Fiscal year ended March 31, 2018)	22nd fiscal year (Fiscal year ended March 31, 2019)	23rd fiscal year (Fiscal year under review) (Fiscal year ended March 31, 2020)
Net sales (Millions of yen)	45,089	—	—	—
Recurring profit (Millions of yen)	21,164	—	—	—
Profit attributable to shareholders of parent (Millions of yen)	14,838	—	—	—
Earnings per share (Yen)	68.23	—	—	—
Total assets (Millions of yen)	42,129	—	—	—
Net assets (Millions of yen)	35,398	—	—	—
Net assets per share (Yen)	161.63	—	—	—

2) International Financial Reporting Standards (IFRS)

Category	20th fiscal year (Fiscal year ended March 31, 2017)	21st fiscal year (Fiscal year ended March 31, 2018)	22nd fiscal year (Fiscal year ended March 31, 2019)	23rd fiscal year (Fiscal year under review) (Fiscal year ended March 31, 2020)
Revenue (Millions of yen)	43,464	46,782	54,832	60,978
Profit attributable to owners of the parent company (Millions of yen)	14,812	15,699	16,697	18,348
Basic earnings per share (Yen)	68.11	73.96	79.70	88.25
Total assets (Millions of yen)	42,481	42,770	51,242	63,317
Total equity (Millions of yen)	35,380	33,908	40,941	43,303

Note: Effective from the 21st fiscal year, the Company adopted the International Financial Reporting Standards (IFRS) in place of the Japanese generally accepted accounting principles (J-GAAP) used previously. In “2)” above, the figures for the 20th fiscal year have been reclassified under the International Financial Reporting Standards (IFRS).

(11) Important parent company and subsidiaries

1) Important parent company

No items to report.

2) Important subsidiaries

Name	Share capital (Millions of yen)	Ratio of ownership	Major business
forTravel, Inc.	191	90.2%	Provision of information via the Internet
Kakaku.com Insurance, Inc.	105	100.0%	Insurance agency business
eiga.com, Inc.	26	70.0%	Provision of information via the Internet
Time Design Co., Ltd.	307	72.9%	Dynamic package business
webCG, Inc.	10	66.5%	Provision of information via the Internet
LCL, Inc.	50	100.0%	Provision of information via the Internet
gate Inc.	40	70.0%	Creation of movie content and websites

(12) Summary of major businesses (As of March 31, 2020)

1) Internet Media Business

This business plans and operates the purchase support service “Kakaku.com,” restaurant discovery and reservation site “Tabelog,” online residential real estate portal “Sumaity,” job classifieds site “Kyujin Box,” lifestyle media for women “Kinarino,” travel review and comparison site “4travel,” movie discovery platform “eiga.com,” online media for car lovers “webCG,” and highway and overnight bus price comparison “YakoBus HikakuNavi,” in addition to developing and providing a dynamic package system, as well as producing and providing movie content websites.

2) Finance Business

This business consists of the insurance agency business.

(13) Principal offices (As of March 31, 2020)

Name	Location
Head Office	3-5-7 Ebisu-Minami, Shibuya-ku, Tokyo
Shibuya Office	15-1, Udagawa-cho, Shibuya-ku, Tokyo
Kansai Branch	1-6-20 Dojima, Kita-ku, Osaka City, Osaka
Kyushu Branch	3-1 Simokawabata-machi, Hakata-ku, Fukuoka City, Fukuoka

Note: The Shibuya Office was established on January 14, 2020.

(14) Major lenders (As of March 31, 2020)

No items to report.

(15) Employees (As of March 31, 2020)

1) Employees of the Group

Business segment	Number of employees	Change from the previous fiscal year-end
Internet Media Business	991 (233)	Increase of 88 (increase of 43)
Finance Business	91 (11)	Increase of 17 (increase of 5)
Total	1,082 (244)	Increase of 105 (increase of 48)

Note: The number of employees indicates the number of working employees, and the average number of temporary employees during this fiscal year is given in parentheses separately.

## 2) Employees of the Company

Number of employees	Change from the previous fiscal year-end	Average age	Average years of service
793 (213)	Increase of 57 (increase of 46)	35.2 years old	4.8 years

Note: The number of employees indicates the number of working employees, and the average number of temporary employees during this fiscal year is given in parentheses separately.



## 2. Shares of the Company (As of March 31, 2020)

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

(2) Total number of shares issued: 206,705,000 shares

Note: The total number of shares issued decreased by 2,800,000 shares due to the retirement of treasury shares conducted on February 28, 2020.

(3) Number of shareholders: 9,359 (decreased by 1,003 from the previous fiscal year-end)

(4) Major shareholders (top 10 shareholders):

Name of shareholder	Number of shares held	Ratio of shareholding
Digital Garage, Inc.	42,390,000 shares	20.59%
KDDI CORPORATION	35,016,000 shares	17.01%
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,030,300 shares	5.36%
Japan Trustee Services Bank, Ltd. (Trust Account)	6,535,700 shares	3.17%
STATE STREET BANK AND TRUST COMPANY 505001	5,035,043 shares	2.45%
THE BANK OF NEW YORK MELLON CORPORATION 140051	3,589,800 shares	1.74%
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	3,550,700 shares	1.72%
THE BANK OF NEW YORK MELLON CORPORATION 140044	3,150,355 shares	1.53%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	2,902,300 shares	1.41%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,875,200 shares	1.40%

Note: Calculations of ratio of shareholding exclude treasury shares (836,558 shares).

### 3. Officers of the Company

#### (1) Directors and Auditors (As of March 31, 2020)

Position	Name	Responsibility at the Company and significant concurrent positions outside the Company
Chairman of the Board	Kaoru Hayashi	Representative Director, President Executive Officer and Group CEO, Digital Garage, Inc. Outside Director, Credit Saison Co., Ltd.
President and Representative Director	Shonosuke Hata	
Director	Kenji Fujiwara	External Board Director, Digital Garage, Inc. External Director, Sundrug Co., Ltd.
Director	Shingo Yuki	Responsible for Kakaku.com, Marketing, Sales, Business Development and Customer Service
Director	Atsuhiko Murakami	Responsible for Tabelog External Director, Bengo4.com, Inc.
Director	Kanako Miyazaki	General Manager, Kakaku.com Responsible for Kakaku.com
Director	Yoshiharu Hayakawa	Certified Public Accountant Representative, Kasumi Research Empowerment Institute External Director, DAI-ICHI HOKI CO., LTD. Outside Director, Ryoyo Electro Corporation
Director	Tomoharu Kato	President and Representative Director, XEBIO Co., Ltd. Executive Vice President, XEBIO HOLDINGS CO., LTD. Outside Director, TECHNO SYSTEM CO., LTD
Director	Shingo Niori	Administrative Officer, KDDI CORPORATION Executive Vice President, Loyalty Marketing, Inc. Outside Director, Datasection Inc.
Director	Kazuyoshi Miyajima	Senior Advisor, FANCL CORPORATION
Full-time Auditor	Hirofumi Hirai	
Auditor	Hiroshi Maeno	
Auditor	Kaori Matsuhashi	Certified Public Accountant Representative Director, Luminous Consulting External Director, Spiber Inc. External Auditor, NTS Holdings Co., Ltd. Outside Audit & Supervisory Board Member, Seven & i Holdings Co., Ltd.
Auditor	Hisashi Kajiki	Attorney-at-law Outside Director, MAEDA ROAD CONSTRUCTION Co., Ltd.

- Notes: 1. Mr. Hajime Uemura and Ms. Shiho Konno retired from their positions as Director due to the expiration of their terms of office at the conclusion of the 22nd Annual General Meeting of Shareholders held on June 18, 2019.
2. Ms. Kanako Miyazaki and Mr. Kazuyoshi Miyajima were elected and assumed office as Director at the 22nd Annual General Meeting of Shareholders held on June 18, 2019.
3. Mr. Hirofumi Hirai was elected and assumed office as Auditor at the 22nd Annual General Meeting of Shareholders held on June 18, 2019. Furthermore, he was elected and assumed office as full-time Auditor at the Audit & Supervisory Board meeting held after the conclusion of the general meeting.
4. Directors Yoshiharu Hayakawa, Tomoharu Kato, Shingo Niori and Kazuyoshi Miyajima are External Directors.
5. Auditors Kaori Matsuhashi and Hisashi Kajiki are External Auditors.
6. Auditor Kaori Matsuhashi has a qualification of the Certified Public Accountant and a considerable degree of knowledge on finance and accounting.
7. The Company has submitted notification to the Tokyo Stock Exchange that Directors Yoshiharu Hayakawa, Tomoharu Kato and Kazuyoshi Miyajima, and Auditors Kaori Matsuhashi and Hisashi Kajiki have been designated as independent officers as provided for by the aforementioned exchange.

(2) Outline of limited liability agreements

The Company has entered into agreements with each External Director, Auditor Hiroshi Maeno and each External Auditor to limit the liability for damages under Article 423, paragraph 1 of the Companies Act based on the provision of Article 427, paragraph 1 of the Companies Act.

These agreements limit the amount of their liability for compensation to the minimum amounts stipulated in laws and regulations.

(3) Amount of remuneration, etc. to Directors and Auditors

1) Total amount of remuneration, etc. by category of officer and number of officers to be paid

(Millions of yen)

	Total amount of remuneration	Total amount of remuneration, etc. by each category			Number to be paid (persons)
		Basic remuneration	Stock options	Bonuses	
Directors (excluding External Directors)	307	212	58	37	6
Auditors (excluding External Auditors)	34	34	—	—	2
External Directors	29	29	—	—	5
External Auditors	16	16	—	—	2

Notes: 1. The above table includes the amount of remuneration, etc. during the tenure of two Directors (of which one is an External Director) who retired from office at the conclusion of the 22nd Annual General Meeting of Shareholders held on June 18, 2019.

2. One Director (excluding External Director) and one External Director do not receive remuneration.

3. The amount of stock options described above is the amount charged in the fiscal year ended March 31, 2020 out of the expense for the stock options granted to the seven Directors (excluding External Directors) (the 8th series share acquisition rights, 9th series share acquisition rights, 10th series share acquisition rights, 11th series share acquisition rights and 13th series share acquisition rights).

2) Total amount of remuneration, etc. to Directors whose remuneration is 100 million yen or more

(Millions of yen)

	Total amount of remuneration	Total amount of remuneration, etc. by each category		
		Basic remuneration	Stock options	Bonuses
Shonosuke Hata (President and Representative Director)	109	75	22	12

#### (4) External Officers

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

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

Director Tomoharu Kato is the President and Representative Director of XEBIO Co., Ltd. and Executive Vice President of XEBIO HOLDINGS CO., LTD. There is a business relationship between XEBIO Co., Ltd. and the Company with respect to Kakaku.com. However, as the amount of transactions between the two companies is insignificant, there is no significant business relationship between the two companies.

Director Shingo Niori is the Administrative Officer of KDDI CORPORATION and the Executive Vice President of Loyalty Marketing, Inc. KDDI CORPORATION is a major shareholder of the Company and an “other affiliated company.” KDDI CORPORATION has also signed a letter of intent concerning a business alliance with the Company.

Director Kazuyoshi Miyajima is the Senior Advisor of FANCL CORPORATION. There is a business relationship between this company and the Company. However, as the amount of transactions between the two companies is insignificant, there is no significant business relationship between the two companies.

Auditor Kaori Matsuhashi is the Representative Director of Luminous Consulting. There is no special interest between the said company and the Company.

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

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

Director Tomoharu Kato is an Outside Director of TECHNO SYSTEM CO., LTD. There is no special interest between the said company and the Company.

Director Shingo Niori is an Outside Director of Datasection Inc. There is no special interest between the said company and the Company.

Auditor Kaori Matsuhashi is an External Director of Spiber Inc., an External Auditor of NTS Holdings Co., Ltd and an Outside Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd. There is no special interest between the said companies and the Company.

Auditor Hisashi Kajiki is an Outside Director of MAEDA ROAD CONSTRUCTION Co., Ltd. There is no special interest between the said company and the Company.

- 3) Major activities in the fiscal year under review

Director Yoshiharu Hayakawa attended all of the 17 meetings of the Board of Directors held during the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on his professional expertise as a certified public accountant and experience as external officers at other companies.

Director Tomoharu Kato attended all of the 17 meetings of the Board of Directors held during the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system for monitoring the execution of business based on his experience as an executive and a manager in a wide range of industries.

Director Shingo Niori attended 16 of the 17 meetings of the Board of Directors held during the fiscal year under review. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to strengthen the system of monitoring the execution of business based on his extensive experience and broad discernment gained through serving in a key position within the core business of KDDI CORPORATION.

Director Kazuyoshi Miyajima attended 12 of the 13 meetings of the Board of Directors since assuming his post on June 18, 2019. He gives advice and suggestions to ensure the appropriateness and validity of decision-making of the Board of Directors and gives advice and suggestions in order to

strengthen the system of monitoring the execution of business based on his extensive knowledge cultivated through holding important posts in the public relations, secretarial and IR departments, and his broad discernment cultivated as a manager.

Auditor Kaori Matsuhashi attended 16 of the 17 meetings of the Board of Directors and all of the 7 meetings of the Audit & Supervisory Board held during the fiscal year under review. She gives opinions for ensuring the appropriateness and validity of decision-making of the Board of Directors at the meetings of the Board of Directors based on her professional expertise as a certified public accountant and experience as external officers at other companies. Also, she properly offers necessary views about internal control and internal audit of the Company at the meetings of the Audit & Supervisory Board.

Auditor Hisashi Kajiki attended all of the 17 meetings of the Board of Directors and all of the 7 meetings of the Audit & Supervisory Board held during the fiscal year under review. He gives opinions for ensuring the appropriateness and validity of decision-making of the Board of Directors at the meetings of the Board of Directors based on his professional expertise as an attorney-at-law and experience as external officers at other companies. Also, he properly offers necessary views about internal control and internal audit of the Company at the meetings of the Audit & Supervisory Board.

#### 4. Financial Auditor

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

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

1) Amount of compensations, etc. paid for services rendered  
as Financial Auditor during the fiscal year under review 45 million yen

2) Total money and other economic benefits to be paid to  
the Financial Auditor by the Company and its subsidiaries 45 million yen

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

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

(3) Details of non-auditing services

No items to report.

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

When any of the matters prescribed in the items in Article 340, paragraph 1 of the Companies Act are applicable to the Financial Auditor, the Audit & Supervisory Board will dismiss the Financial Auditor with the full consensus of the Auditors. In this case, an Auditor selected by the Audit & Supervisory Board shall report the dismissal of the Financial Auditor and the reason for dismissal at the first General Meeting of Shareholders to be held after the dismissal.

It should be noted that the Audit & Supervisory Board takes into consideration the continuous number of years of auditing, etc. by the Financial Auditor in determining the content of the proposal on the dismissal or non-reappointment of the Financial Auditor to be submitted to the General Meeting of Shareholders.

# Consolidated Financial Statements

## Consolidated statement of financial position (As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>39,115</b>	<b>Current liabilities</b>	<b>12,877</b>
Cash and cash equivalents	29,504	Trade and other payables	2,719
Trade and other receivables	8,394	Bonds and borrowings	443
Other financial assets	76	Other financial liabilities	186
Other current assets	1,141	Income taxes payable	4,619
		Lease liabilities	1,514
		Employee benefit obligations	1,493
		Other current liabilities	1,903
<b>Non-current assets</b>	<b>24,201</b>	<b>Non-current liabilities</b>	<b>7,137</b>
Property, plant and equipment	2,489	Bonds and borrowings	124
Right-of-use assets	7,947	Provisions	474
Goodwill and other intangible assets	7,057	Lease liabilities	6,293
		Other non-current liabilities	246
Investments accounted for using equity method	2,536	<b>Total liabilities</b>	<b>20,014</b>
Other financial assets	3,407	<b>Equity</b>	
Deferred tax assets	722	<b>Equity attributable to owners of the parent company</b>	<b>42,909</b>
Other non-current assets	45	Share capital	916
		Capital surplus	464
		Retained earnings	43,515
		Treasury shares	(2,196)
		Other components of equity	210
		<b>Non-controlling interests</b>	<b>394</b>
		<b>Total equity</b>	<b>43,303</b>
<b>Total assets</b>	<b>63,317</b>	<b>Total liabilities and equity</b>	<b>63,317</b>

Note: Amounts less than 1 million yen are rounded.

**Consolidated statement of profit or loss** (From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount
<b>Revenue</b>	<b>60,978</b>
<b>Operating expenses</b>	<b>33,698</b>
<b>Other income</b>	<b>32</b>
<b>Other expenses</b>	<b>94</b>
<b>Operating profit</b>	<b>27,217</b>
<b>Finance income</b>	<b>26</b>
<b>Finance expenses</b>	<b>228</b>
<b>Share of profit (loss) of associates and joint ventures accounted for using equity method</b>	<b>(396)</b>
<b>Profit before income taxes</b>	<b>26,619</b>
<b>Income tax expense</b>	<b>8,280</b>
<b>Profit</b>	<b>18,338</b>
<b>Profit attributable to:</b>	
<b>Owners of the parent company</b>	<b>18,348</b>
<b>Non-controlling interests</b>	<b>(10)</b>

Note: Amounts less than 1 million yen are rounded.



**Consolidated statement of changes in equity** (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Equity attributable to owners of the parent company			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of April 1, 2019	916	464	40,490	(1,750)
Effect of changes in accounting policies			(3)	
Restated balance	916	464	40,487	(1,750)
Profit			18,348	
Other comprehensive income				
Total comprehensive income	—	—	18,348	—
Dividends			(7,929)	
Purchase, disposal or retirement of treasury shares			(7,360)	(446)
Share-based payment transactions				
Cancellation of share acquisition rights		15		
Others		(14)	(31)	
Total transactions with owners	—	1	(15,320)	(446)
Balance as of March 31, 2020	916	464	43,515	(2,196)

Note: Amounts less than 1 million yen are rounded.

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	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 equity method	Share acquisition rights	Total other components of equity			
Balance as of April 1, 2019	254	(4)	1	168	419	40,538	403	40,941
Effect of changes in accounting policies						(3)		(3)
Restated balance	254	(4)	1	168	419	40,535	403	40,938
Profit					–	18,348	(10)	18,338
Other comprehensive income	(293)	(11)	(7)		(310)	(310)	0	(310)
Total comprehensive income	(293)	(11)	(7)	–	(310)	18,038	(9)	18,029
Dividends					–	(7,929)		(7,929)
Purchase, disposal or retirement of treasury shares				(54)	(54)	(7,859)		(7,859)
Share-based payment transactions				139	139	139		139
Cancellation of share acquisition rights				(15)	(15)	–		–
Others	31				31	(14)		(14)
Total transactions with owners	31	–	–	70	101	(15,664)	–	(15,664)
Balance as of March 31, 2020	(7)	(15)	(6)	238	210	42,909	394	43,303

Note: Amounts less than 1 million yen are rounded.

## Non-Consolidated Financial Statements

### Non-consolidated balance sheet (As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
<b>Current assets</b>	<b>31,670</b>	<b>Current liabilities</b>	<b>8,213</b>
Cash and time deposits	23,438	Accounts payable - trade	164
Notes receivable - trade	6	Accounts payable - other	2,046
Accounts receivable - trade	7,357	Accrued expenses	100
Accounts receivable - other	29	Income taxes payable	4,237
Prepaid expenses	419	Accrued consumption taxes	894
Other current assets	458	Advances received	76
Allowance for doubtful accounts	(38)	Deposits received	120
<b>Fixed assets</b>	<b>18,473</b>	Provision for bonuses	487
<b>Tangible fixed assets</b>	<b>2,245</b>	Provision for directors' bonuses	40
Buildings	1,216	Others	46
Furniture and fixtures	932	<b>Non-current liabilities</b>	<b>511</b>
Land	68	Long-term guarantee deposited	151
Construction in progress	27	Asset retirement obligations	360
<b>Intangible fixed assets</b>	<b>1,971</b>	<b>Total liabilities</b>	<b>8,725</b>
Software	1,759	<b>Net assets</b>	
Software in progress	211	<b>Shareholders' equity</b>	<b>41,221</b>
<b>Investments and other assets</b>	<b>14,256</b>	Common stock	915
Investments in securities	1,997	Capital surplus	1,087
Shares of subsidiaries and associates	9,830	Legal capital surplus	1,087
Long-term prepaid expenses	44	Retained earnings	41,414
Deferred tax assets	1,245	Other retained earnings	41,414
Guarantee deposits	1,139	Retained earnings brought forward	41,414
Claims provable in bankruptcy, claims provable in rehabilitation and other	10	Treasury stock	(2,196)
Allowance for doubtful accounts	(10)	<b>Valuation and translation adjustments</b>	<b>(12)</b>
		Valuation difference on available-for-sale securities	(12)
		<b>Share acquisition rights</b>	<b>209</b>
<b>Total assets</b>	<b>50,144</b>	<b>Total net assets</b>	<b>41,418</b>
		<b>Total liabilities and net assets</b>	<b>50,144</b>

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

**Non-consolidated statement of income** (From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>54,665</b>
<b>Cost of sales</b>		<b>3,158</b>
<b>Gross profit</b>		<b>51,507</b>
<b>Selling, general and administrative expenses</b>		<b>26,012</b>
<b>Operating income</b>		<b>25,494</b>
<b>Non-operating income</b>		<b>62</b>
Interest and dividend income	21	
Fiduciary obligation fee	14	
Subsidy income	3	
Others	23	
<b>Non-operating expense</b>		<b>222</b>
Commission for purchase of treasury stock	20	
Loss on investments in partnership	198	
Others	3	
<b>Recurring profit</b>		<b>25,333</b>
<b>Extraordinary profit</b>		<b>3</b>
Other	3	
<b>Extraordinary loss</b>		<b>191</b>
Loss on valuation of shares of subsidiaries and associates	150	
Other	41	
<b>Profit before income taxes</b>		<b>25,145</b>
Corporate tax, local tax and business tax	7,582	
Income taxes deferred	(2)	7,580
<b>Profit</b>		<b>17,566</b>

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

**Non-consolidated statement of changes in equity** (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2019	915	1,087	—	1,087	39,137	39,137
Changes of items during period						
Dividends of surplus				—	(7,929)	(7,929)
Profit				—	17,566	17,566
Purchase of treasury stock				—		—
Retirement of treasury stock				—	(7,361)	(7,361)
Disposal of treasury stock			1	1		—
Transfer of negative balance of other capital surplus			(1)	(1)	1	1
Net changes of items other than shareholders' equity						
Total changes of items during period	—	—	—	—	2,276	2,276
Balance as of March 31, 2020	915	1,087	—	1,087	41,414	41,414

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

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2019	(1,750)	39,390	258	258	167	39,816
Changes of items during period						
Dividends of surplus		(7,929)		—		(7,929)
Profit		17,566		—		17,566
Purchase of treasury stock	(7,999)	(7,999)		—		(7,999)
Retirement of treasury stock	7,361	—		—		—
Disposal of treasury stock	192	194		—	(68)	125
Transfer of negative balance of other capital surplus		—		—		—
Net changes of items other than shareholders' equity			(271)	(271)	110	(160)
Total changes of items during period	(445)	1,831	(271)	(271)	41	1,601
Balance as of March 31, 2020	(2,196)	41,221	(12)	(12)	209	41,418

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

**INDEPENDENT AUDITOR'S REPORT**

May 14, 2020

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

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Kunikazu Awashima (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Hayato Otsuji (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

**Audit Opinion**

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Kakaku.com, Inc. (the "Company") and its consolidated subsidiaries for the fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Regulation of Corporate Accounting, referred to above present fairly, in all material respects, the financial position of Kakaku.com, Inc. and its consolidated subsidiaries as of March 31, 2020, and the results of their operations for the year then ended.

**Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management, Auditors and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Regulation of Corporate Accounting; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with the provisions of the second sentence of the first paragraph of Article 120 of the Regulation of Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, for disclosing, as necessary, matters related to going concern.

Auditors and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes to the consolidated financial statements are in accordance with the provisions of the second sentence of the first paragraph of Article 120 of the Regulation of Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Auditors and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Auditors and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

## Interest

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



**INDEPENDENT AUDITOR'S REPORT**

May 14, 2020

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

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Kunikazu Awashima (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Hayato Otsuji (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

**Audit Opinion**

Pursuant to the item 1, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to the non-consolidated financial statements, and supplementary schedules (the “non-consolidated financial statements, etc.”) of Kakaku.com, Inc. (the “Company”) for the 23rd fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position of Kakaku.com, Inc. as of March 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

**Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management, Auditors and the Audit & Supervisory Board for the Non-Consolidated Financial Statements, Etc.**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in conformity with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Auditors and the Audit & Supervisory Board are responsible for overseeing the Directors’ performance of duties within the maintenance and operation of the financial reporting process.

**Auditor’s Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.**

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that expresses our opinion on the non-consolidated financial statements, etc. based on our

audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Auditors and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Auditors and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Interest

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

### **Audit Report**

With respect to the Directors' performance of their duties during the 23rd fiscal year (from April 1, 2019 to March 31, 2020), the Audit & Supervisory Board has prepared this audit report, as a unanimous opinion of all members of the Audit & Supervisory Board, based on the audit reports prepared by each Auditor, and hereby reports as follows:

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

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

Based on the above-described methods, each Auditor examined the business report and the supplementary schedules thereto, and the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes to consolidated financial statements), for the fiscal year under consideration.

## 2. Results of audit

### (1) Results of audit of business report, etc.

- I. We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- II. We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- III. We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and Directors' performance of their duties concerning the internal control systems. Furthermore, from a perspective of continuing to strengthen corporate governance going forward, we acknowledge the importance of ongoing initiatives related to the internal control system, including at subsidiaries.

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

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

### (3) Results of audit of consolidated financial statements

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

May 20, 2020

Audit & Supervisory Board, Kakaku.com, Inc.

Full-time Auditor	Hirofumi Hirai	(seal)
Auditor	Hiroshi Maeno	(seal)
External Auditor	Kaori Matsuhashi	(seal)
External Auditor	Hisashi Kajiki	(seal)

## Instructions for exercising voting rights via the Internet

### 1. Voting website

You can only exercise your voting rights via the Internet by accessing the following voting website designated by the Company.

Voting website: <https://www.web54.net>

### 2. Exercise of voting rights

- (1) To exercise your voting rights via the Internet, please use the voting rights exercise code and password shown on the enclosed voting card. Please follow the guidance on the screen to input your approval or disapproval. If you are voting by smartphone, you may also exercise your voting rights by smart voting (\*), which requires neither the voting rights exercise code nor a password.
- (2) Voting rights may be exercised by 7:00 pm. on Wednesday, June 17, 2020 (JST). It would be appreciated if you could exercise your voting rights early.
- (3) If you exercise your voting rights concurrently in writing and via the Internet, etc., the vote via the Internet will be treated as valid. If you exercise your voting rights via the Internet, etc. multiple times, only the last vote exercised will be treated as valid.
- (4) If you make use of the voting rights exercise website, your service provider fees and telecommunications fees (connection fees, etc.) are to be borne by you.

### 3. Handling of passwords

- (1) Your password is an important piece of information for confirming the identity of a person exercising voting rights as a shareholder. Please handle it with care.
- (2) Your password will be invalidated if it is entered incorrectly a certain number of times. To have a new password issued, please follow the procedures provided on screen.

### 4. Queries regarding PC operation, etc.

If you have any queries regarding how to operate your PC with regard to exercising voting rights via the Internet, please inquire to the following support desk.

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Telephone: 0120-652-031 (Toll-free in Japan only)

Hours: 9:00 a.m. to 9:00 p.m.

#### \* Smart voting

You can exercise your voting rights without needing to enter a voting rights exercise code and password by reading in the QR code displayed on the voting card using your smartphone. Once you exercise your voting rights using smart voting, you will need to input the voting rights exercise code and password if you want to exercise your voting rights again using the QR code.

“QR code” is a registered trademark of DENSO WAVE INCORPORATED.

To Institutional Investors

Institutional investors may use the “Electronic Voting Platform” managed by ICJ, Inc.