

This is an abridged translation of the original Japanese document and is provided for informational purposes only.

If there are any discrepancies between this and the original, the original Japanese document prevails.

November 6, 2024

Kakaku.com, Inc.
Consolidated Earnings Report for the
Second Quarter (Semi-annual Period) of the Fiscal Year Ending March 31, 2025

Stock listings: Tokyo Stock Exchange
Securities code: 2371
URL: <https://corporate.kakaku.com/>
Representative: Atsuhiko Murakami, President and Representative Director
Information contact: Shinichi Kasuya
Director and Senior Managing Executive Officer and CFO
Telephone: +81-3-5725-4554

Scheduled dates

Filing of statutory semi-annual financial report: November 8, 2024

Dividend payout: December 2, 2024

Supplementary materials to financial results available: Yes

Earnings presentation held: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter (Semi-annual Period) of the Fiscal Year Ending March 31, 2025

(1) Consolidated Operating Results

(% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit attributable to owners of the parent company		Total comprehensive income for the period	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Q2 FY2025/3	36,363	15.7	14,034	24.2	14,093	22.4	9,564	20.6	9,590	21.1	9,564	20.0
Q2 FY2024/3	31,435	11.3	11,299	3.6	11,516	1.6	7,930	(1.7)	7,916	(1.7)	7,970	(2.5)

	Basic earnings per share	Diluted earnings per share
	¥	¥
Q2 FY2025/3	48.52	48.48
Q2 FY2024/3	39.36	39.33

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent company	Total equity attributable to owners of the parent company ratio
	¥ million	¥ million	¥ million	%
As of September 30, 2024	94,008	56,751	56,466	60.1
As of March 31, 2024	83,308	51,691	51,380	61.7

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year end	Annual total
	¥	¥	¥	¥	¥
FY2024/3	–	23.00	–	23.00	46.00
FY2025/3	–	25.00			
FY2025/3 (Forecast)			–	25.00	50.00

(Note) Revisions to most recent dividend forecasts: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent company		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	74,000	10.6	28,500	10.4	28,400	8.7	19,400	7.2	98.19

(Note) Revisions to most recent earnings forecasts: None

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Accounting policy changes and accounting estimate changes:

i) Changes in accounting policies required by IFRS: None

ii) Changes other than the above i): None

iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

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

September 30, 2024: 198,218,300 shares

March 31, 2024: 198,218,300 shares

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

September 30, 2024: 486,331 shares

March 31, 2024: 651,327 shares

iii) Average number of shares outstanding during the period:

September 30, 2024: 197,644,987 shares

September 30, 2023: 201,104,265 shares

* The Japanese-language originals of the consolidated earnings report for the second quarter (semi-annual period) are exempt from review conducted by a certified public accountant or the accounting auditor.

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

(Disclaimer Regarding Forward-Looking Statements)

Forward-looking statements in this document, including forecasts, are based on information available to the Company at the time of the announcement, which the Company assumes to be reasonable. Therefore, the Company does not guarantee the achievement of forecasts and other forward-looking statements. Actual business and other results may differ substantially due to various factors.

Contents

1. Operating Results and Financial Position	2
(1) Operating Results	2
(2) Financial Position	3
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	3
2. Condensed Consolidated Financial Statements	4
(1) Condensed Consolidated Statement of Financial Position	4
(2) Condensed Consolidated Statement of Income	6
(3) Condensed Consolidated Statement of Comprehensive Income	7
(4) Condensed Consolidated Statements of Changes in Equity	8
(5) Condensed Consolidated Statement of Cash Flows	10
(6) Notes on the Condensed Consolidated Financial Statements	12
(Notes regarding the going concern assumption).....	12
(Segment information)	12
(Impairment losses).....	14
(Significant subsequent events).....	14

1. Operating Results and Financial Position

(1) Operating Results

The Company's operating results for the six months ended September 30, 2024, are as follows.

Consolidated revenue increased 15.7% year on year to 36,363 million yen. This was mainly due to an increase in revenue for the Kakaku.com business, the Tabelog business, the Kyujin Box business, and the domain of travel/transportation in the Incubation business as economic activities normalized.

Consolidated operating profit rose 24.2% year on year to 14,034 million yen. This was mainly due to increased revenue as well as decreased outsourcing expenses and personnel expenses.

Consolidated profit before income taxes increased 22.4% year on year to 14,093 million yen. This was mainly due to increased operating profit.

Consolidated profit attributable to owners of the parent company increased 21.1% year on year to 9,590 million yen.

Operating results¹ (after intersegment eliminations) are presented below by business segment.

(a) Kakaku.com Business

Kakaku.com business's revenue grew 8.8% year on year to 11,191 million yen, while its segment income decreased 1.1% year on year to 5,074 million yen in the six months ended September 30, 2024.

In the shopping business, the impacts such as fewer new products, the price hikes caused by exchange rate fluctuations, and the impact from the brought-forward demand occurring in the early stage of the COVID-19 pandemic have nearly come to an end. In the service business, marketing in the financial and telecommunications domains achieved favorable progress. In the advertising business, although there were no significant changes in the business environment, the decrease in advertisement placements are nearly reaching to an end. In the insurance business, the number of applications increased, particularly for fire insurance.

As a result, revenue in the shopping business decreased 0.1% year on year to 3,655 million yen, revenue in the service business increased 18.5% year on year to 4,769 million yen, revenue in the advertising business fell 3.9% year on year to 1,249 million yen, and revenue in the insurance business increased 17.1% year on year to 1,518 million yen.

In addition, impairment losses of 588 million yen were recorded in the Kakaku.com segment² for mainly intangible assets and goodwill related to the business of consolidated subsidiary Pathee, Inc. Kakaku.com had 37.34 million monthly unique users³ in September 2024.

(b) Tabelog Business

The Tabelog business's revenue grew 20.1% year on year to 15,661 million yen, while its segment income increased 31.7% year on year to 8,791 million yen in the six months ended September 30, 2024.

The Tabelog business's revenue consists mainly of the following.

Revenue from the restaurant advertising business⁴ increased 12.1% year on year to 7,008 million yen, and revenue from the restaurant reservation business⁴ increased 32.0% year on year to 6,933 million yen. As a result of the steady rise in the demand for dining out, online reservations increased 30.5% year on year to a total of 47.71 million people in the six months ended September 30, 2024. Due to the increase in the number of restaurants using online reservation services, the total number of restaurants contracting Tabelog's paid services was 82,200 as of September 30, 2024.

The premium membership business's revenue rose 5.2% year on year to 793 million yen due to an increase in fee-paying members. The advertising business's revenue increased 16.1% year on year to 897 million yen.

Tabelog had 92.02 million monthly unique users³ in September 2024.

(c) Kyujin Box Business

The Kyujin Box business's revenue grew 33.4% year on year to 5,667 million yen, while its segment income increased 11.6% year on year to 2,463 million yen in the six months ended September 30, 2024.

The Kyujin Box business had increases in monthly unique users, the number of clicks of job advertisements, etc.

Kyujin Box had 10.52 million monthly unique users³ in September 2024.

(d) Incubation Business

The incubation business's revenue decreased 0.6% year on year to 3,843 million yen, while its segment income rose 12.3% year on year to 879 million yen in the six months ended September 30, 2024.

Revenue in the domains of real estate and travel/transportation increased, while revenue in the domain of lifestyle/entertainment decreased.

(Notes) 1. The Group implemented organizational changes effective April 1, 2024 to enhance the value provided by the Group's four businesses (Kakaku.com, Tabelog, Kyujin Box and Incubation) and create business growth. Accordingly, the Company has decided to change its segments from the fiscal year ending March 31, 2025. For an overview of the changes, see "2. Condensed Consolidated Financial Statements, (6) Notes on the Condensed Consolidated Financial Statements (Segment information)."

2. For details of the impairment losses recorded in the Kakaku.com business segment, please refer to "2. Condensed Consolidated Financial Statements, (6) Notes on the Condensed Consolidated Financial Statements (Impairment losses)."

3. Monthly unique users are counted as the number of browsers that visited the site (for certain browsers, operating systems, etc., there may be instances in which users who re-visited the site after a certain period of time are counted multiple times). Double-counting as a side effect of high-speed loading of mobile webpages and mechanical accesses by third parties' web-scraping bots etc. are eliminated from the count to the fullest extent possible. Tabelog's support of AMP (Accelerated Mobile Pages) ended in February 2022.
4. Previously, the Tabelog business was divided into four segments: restaurant promotion, premium membership, advertising, and other. However, effective from the fiscal year ending March 31, 2025, the categorization has been changed to five segments: restaurant advertising, restaurant reservation, premium membership, advertising, and other. The restaurant advertising business and the restaurant reservation business correspond to the promotion service and the online reservation services in the former restaurant promotion business, respectively.

(2) Financial Position

(a) Analysis of Financial Position

Assets

Consolidated assets at September 30, 2024, totaled 94,008 million yen, a 10,700 million yen increase from March 31, 2024. The increase was mainly a 7,212 million yen increase in cash and cash equivalents and a 4,127 million yen increase in other current assets.

Liabilities

Consolidated liabilities at September 30, 2024, totaled 37,257 million yen, a 5,640 million yen increase from March 31, 2024. The increase was mainly a 5,250 million yen increase in other current liabilities.

Equity

Consolidated equity at September 30, 2024, totaled 56,751 million yen, a 5,060 million yen increase from March 31, 2024. This was mainly the net result of a declaration of a 4,544 million yen dividend from retained earnings despite recording profit attributable to owners of the parent company of 9,590 million yen.

(b) Cash Flows

Cash and cash equivalents ("cash") at September 30, 2024, totaled 44,913 million yen, a 7,212 million yen increase from March 31, 2024. Cash flows from operating, investing, and financing activities were as follows.

Cash flows from operating activities

Operating activities provided net cash of 13,951 million yen (vs. 7,272 million yen provided in the year-earlier period). The main outflows were 14,093 million yen of profit before income taxes and 5,250 million yen of increase in other current liabilities, which were offset by 4,207 million yen of income taxes paid and 4,127 million yen of increase in other current assets.

Cash flows from investing activities

Investing activities used net cash of 1,403 million yen (vs. 1,028 million yen used in the year-earlier period). This was primarily due to 1,050 million yen for purchase of intangible assets.

Cash flows from financing activities

Financing activities used net cash of 5,317 million yen (vs. 4,794 million yen used in the year-earlier period). This was primarily due to 4,544 million yen for dividends paid.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

The consolidated earnings forecasts for the fiscal year ending March 31, 2025, that were disclosed in the Consolidated Earnings Report for the Fiscal Year Ended March 31, 2024, released on May 9, 2024, remain unchanged.

2. Condensed Consolidated Financial Statements
(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	37,702	44,913
Trade and other receivables	11,808	11,727
Other financial assets	442	415
Other current assets	10,435	14,562
Subtotal	60,386	71,617
Assets held for sale	305	—
Total current assets	60,692	71,617
Non-current assets		
Property, plant and equipment	2,101	2,051
Right-of-use assets	5,372	5,172
Goodwill and other intangible assets	7,454	7,021
Investments accounted for using equity method	33	20
Other financial assets	6,220	6,684
Deferred tax assets	1,342	1,361
Other non-current assets	95	81
Total non-current assets	22,617	22,390
Total assets	83,308	94,008

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Trade and other payables	4,189	4,539
Bonds and borrowings	121	91
Other financial liabilities	628	586
Income taxes payable	4,273	4,566
Lease liabilities	1,221	1,309
Employee benefit obligations	2,235	2,283
Other current liabilities	14,104	19,354
Total current liabilities	26,772	32,728
Non-current liabilities		
Bonds and borrowings	134	121
Lease liabilities	3,700	3,441
Provisions	542	539
Other non-current liabilities	469	429
Total non-current liabilities	4,845	4,530
Total liabilities	31,617	37,257
Equity		
Capital stock	916	916
Capital surplus	78	51
Retained earnings	51,186	56,226
Treasury shares	(1,175)	(877)
Other components of equity	376	151
Total equity attributable to owners of the parent company	51,380	56,466
Non-controlling interests	311	285
Total equity	51,691	56,751
Total liabilities and equity	83,308	94,008

(2) Condensed Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	31,435	36,363
Operating expenses	20,207	21,738
Other income	75	4
Other expenses	5	7
Impairment losses	–	588
Operating profit	11,299	14,034
Finance income	219	98
Finance expenses	14	26
Share of profit (loss) of associates and joint ventures accounted for by the equity method	12	(13)
Profit before income taxes	11,516	14,093
Income tax expense	3,585	4,529
Profit	7,930	9,564
Profit attributable to:		
Owners of the parent company	7,916	9,590
Non-controlling interests	15	(26)
Earnings per share		
Basic earnings per share (yen)	39.36	48.52
Diluted earnings per share (yen)	39.33	48.48

(3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	7,930	9,564
Other comprehensive income (Net of related tax effect)		
Items that will not be reclassified to profit or loss		
Net changes in fair value of financial assets measured at fair value through other comprehensive income	35	3
Total items that will not be reclassified to profit or loss	35	3
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5	(3)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	0	—
Total items that may be reclassified to profit or loss	5	(3)
Other comprehensive income (Net of related tax effect)	40	0
Comprehensive income	7,970	9,564
Comprehensive income attributable to:		
Owners of the parent company	7,955	9,590
Non-controlling interests	15	(26)

(4) Condensed Consolidated Statements of Changes in Equity

Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning of period	916	64	48,136	(1,596)	(44)	(13)	(6)	424	360	47,881	284	48,165
Profit	–	–	7,916	–	–	–	–	–	–	7,916	15	7,930
Other comprehensive income	–	–	–	–	35	5	0	–	40	40	0	40
Total comprehensive income	–	–	7,916	–	35	5	0	–	40	7,955	15	7,970
Dividends	–	–	(4,022)	–	–	–	–	–	–	(4,022)	–	(4,022)
Purchase and disposal of treasury shares	–	–	0	3	–	–	–	(1)	(1)	3	–	3
Share-based payment transactions	–	–	–	–	–	–	–	34	34	34	–	34
Forfeiture of share acquisition rights	–	3	–	–	–	–	–	(3)	(3)	–	–	–
Other	–	(0)	–	–	–	–	–	–	–	(0)	–	(0)
Total transactions with owners	–	3	(4,022)	3	–	–	–	31	31	(3,985)	–	(3,985)
Balance at end of period	916	67	52,030	(1,592)	(9)	(8)	(6)	455	431	51,852	299	52,150

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning of period	916	78	51,186	(1,175)	(57)	(8)	(6)	446	376	51,380	311	51,691
Profit	–	–	9,590	–	–	–	–	–	–	9,590	(26)	9,564
Other comprehensive income	–	–	–	–	3	(3)	–	–	0	0	(0)	0
Total comprehensive income	–	–	9,590	–	3	(3)	–	–	0	9,590	(26)	9,564
Dividends	–	–	(4,544)	–	–	–	–	–	–	(4,544)	–	(4,544)
Purchase and disposal of treasury shares	–	(53)	–	298	–	–	–	(245)	(245)	0	–	0
Share-based payment transactions	–	26	–	–	–	–	–	14	14	40	–	40
Other	–	–	(6)	–	–	–	6	–	6	–	–	–
Total transactions with owners	–	(27)	(4,550)	298	–	–	6	(231)	(226)	(4,504)	–	(4,504)
Balance at end of period	916	51	56,226	(877)	(54)	(11)	–	215	151	56,466	285	56,751

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	11,516	14,093
Adjustments to reconcile profit before income taxes		
Depreciation and amortization	1,869	1,923
Impairment losses	–	588
Interest and dividend income	(6)	(5)
Decrease (increase) in trade and other receivables	(494)	81
Increase (decrease) in trade and other payables	152	398
Increase (decrease) in other financial liabilities	(1,418)	(43)
Decrease (increase) in other current assets	(3,542)	(4,127)
Increase (decrease) in other current liabilities	3,957	5,250
Other	(81)	8
Subtotal	11,953	18,166
Interest and dividend income received	6	5
Interest paid	(16)	(13)
Income taxes paid	(4,671)	(4,207)
Net cash provided by (used in) operating activities	7,272	13,951
Cash flows from investing activities		
Purchase of property, plant and equipment	(145)	(276)
Purchase of intangible assets	(849)	(1,050)
Purchase of investment securities	(47)	(315)
Proceeds from sale of investment securities	–	312
Proceeds from distribution of investment in partnerships	–	44
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(130)	–
Proceeds from sale of investments in associates	194	–
Payments for lease and guarantee deposits	(11)	(119)
Other	(40)	0
Net cash provided by (used in) investing activities	(1,028)	(1,403)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(30)	(30)
Repayments of long-term loans payable	(24)	(12)
Repayment of lease obligations	(716)	(722)
Purchase of treasury shares	(0)	(0)
Dividends paid	(4,020)	(4,544)
Proceeds from issuance of share options	0	0
Other	(4)	(8)
Net cash provided by (used in) financing activities	(4,794)	(5,317)
Effect of exchange rate change on cash and cash equivalents	22	(20)
Net increase (decrease) in cash and cash equivalents	1,472	7,212
Cash and cash equivalents at beginning of period	36,453	37,702
Cash and cash equivalents at end of period	37,924	44,913

(6) Notes on the Condensed Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable.

(Segment information)

(1) Outline of reportable segments

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

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

The Group comprises segments based on services under the business divisions and subsidiaries, which have been divided into the reportable segments of Kakaku.com, Tabelog, Kyujin Box and Incubation.

The Kakaku.com business operates customer purchasing support site Kakaku.com, the insurance agency business through Kakaku.com Insurance Inc., a consolidated subsidiary, and the digital sales promotion tool "STORECAST" for retail stores of Pathee, Inc., a consolidated subsidiary. The Tabelog business operates the restaurant search and reservation site Tabelog. The Kyujin Box business operates Kyujin Box, a job classifieds site, and Jobcube, a job classifieds site operated by JOBCUBE, INC. a consolidated subsidiary. The Incubation segment operates Sumaity, a real estate/housing information site; 4travel, a travel review and comparison site; eiga.com, a comprehensive movie information site operated by eiga.com, Inc., a consolidated subsidiary; webCG, a dedicated automobile site operated by webCG, Inc., a consolidated subsidiary; a dynamic package solution business of the consolidated subsidiary, Time Design Co., Ltd.; Bus Hikaku Navi, a bus trip comparison service operated by LCL Incorporated, a consolidated subsidiary.

(Change in reportable segments)

From the first quarter ended June 30, 2024, the Company has taken the opportunity of the organizational changes to change its reportable segments from the two segments of Internet Media and Finance to the four segments of Kakaku.com, Tabelog, Kyujin Box, and Incubation. This change was made to align the segment categories for information disclosure with the current organizational structure from a management approach perspective.

The segment information for the six months ended September 30, 2023 has been prepared and disclosed based on the reportable segment categories for the six months ended September 30, 2024.

In addition, while operating profit was previously used as segment income, starting from the three months ended June 30, 2024, in order to more accurately evaluate performance in line with the change in reportable segments, the Company has changed the method to include corporate expenses, etc. not attributable to any reportable segment in adjustments of segment income. Segment information for the six months ended September 30, 2023 is presented based on the measurement method after the change.

(2) Information on reportable segments

Information by reportable segment for the Group is as follows. Intersegment revenues and transfers are based on prevailing market prices.

(3) Information on the amounts of revenue and profit/loss by reportable segment
Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Amount reported in the condensed consolidated financial statements
	Kakaku.com	Tabelog	Kyujin Box	Incubation	Total		
Revenue							
Revenue from external customers	10,283	13,036	4,250	3,866	31,435	–	31,435
Intersegment revenue	–	–	–	22	22	(22)	–
Total	10,283	13,036	4,250	3,888	31,457	(22)	31,435
Segment income (Note 2)	5,132	6,677	2,207	783	14,799	(3,500)	11,299
Finance income							219
Finance expenses							14
Share of profit (loss) of associates and joint ventures accounted for by the equity method							12
Profit before income taxes							11,516

(Note 1) Adjustments of segment income of (3,500) million yen include corporate expenses of (3,500) million yen not allocated to each reportable segment and elimination of intersegment transactions of (0) million yen.

(Note 2) Adjustments were made to reconcile segment income to operating profit in the condensed consolidated statement of income.

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Amount reported in the condensed consolidated financial statements
	Kakaku.com	Tabelog	Kyujin Box	Incubation	Total		
Revenue							
Revenue from external customers	11,191	15,661	5,667	3,843	36,363	–	36,363
Intersegment revenue	–	–	–	40	40	(40)	–
Total	11,191	15,661	5,667	3,883	36,403	(40)	36,363
Segment income (Notes 2, 3)	5,074	8,791	2,463	879	17,208	(3,174)	14,034
Finance income							98
Finance expenses							26
Share of profit (loss) of associates and joint ventures accounted for by the equity method							(13)
Profit before income taxes							14,093

(Note 1) Adjustments of segment income of (3,174) million yen include corporate expenses of (3,174) million yen not allocated to each reportable segment and elimination of intersegment transactions of (0) million yen.

(Note 2) Adjustments were made to reconcile segment income to operating profit in the condensed consolidated statement of income.

(Note 3) For details of the 588 million yen impairment losses recorded in the Kakaku.com business segment, please refer to “2. Condensed Consolidated Financial Statements, (6) Notes on the Condensed Consolidated Financial Statements (Impairment losses).”

(Impairment losses)

During the six months ended September 30, 2024, it became clear that it would be difficult to achieve the initial objective of quickly turning consolidated subsidiary Pathee, Inc. into a profitable business, as had been envisaged at the time of acquisition. As a result of recognizing impairment losses up to the recoverable amount based on the revised business plan, for the Kakaku.com business segment, impairment losses of 588 million yen (including 140 million yen for technology-related assets, 446 million yen for goodwill, and 2 million yen for other items) were recorded for mainly intangible assets and goodwill related to the business of said company.

The recoverable amount is based on the value in use, which is set at zero.

(Significant subsequent events)

Not applicable.