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February 6, 2025

Kakaku.com, Inc.
Consolidated Earnings Report for the
Third Quarter of the Fiscal Year Ending March 31, 2025

Stock listings: Tokyo Stock Exchange
Securities code: 2371
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Scheduled dates
Dividend payout: —
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 Third Quarter 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	%
Q3 FY2025/3	56,687	16.5	22,065	20.6	22,181	19.9	15,062	18.6	15,098	19.1	15,072	18.5
Q3 FY2024/3	48,679	9.2	18,299	2.1	18,505	0.8	12,699	(1.2)	12,677	(1.2)	12,723	(1.6)

	Basic earnings per share	Diluted earnings per share
	¥	¥
Q3 FY2025/3	76.38	76.34
Q3 FY2024/3	63.12	63.07

(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 December 31, 2024	91,749	57,152	56,868	62.0
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)				55.00	80.00

(Notes) 1. Revisions to most recent dividend forecasts: Yes

2. Breakdown of year-end dividends for FY2025/3 (Forecast): ordinary dividend ¥25.00, special dividend ¥30.00.

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):

December 31, 2024: 198,218,300 shares

March 31, 2024: 198,218,300 shares

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

December 31, 2024: 486,331 shares

March 31, 2024: 651,327 shares

iii) Average number of shares outstanding during the period:

December 31, 2024: 197,674,087 shares

December 31, 2023: 200,827,604 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by a certified public accountant or the accounting auditor: None

***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.

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1. Operating Results and Financial Position

(1) Operating Results

The Company's operating results for the nine months ended December 31, 2024, are as follows.

Consolidated revenue increased 16.5% year on year to 56,687 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.

Consolidated operating profit rose 20.6% year on year to 22,065 million yen. This was mainly due to increased revenue as well as outsourcing expenses and personnel expenses increasing only slightly (up 2.0% year on year).

Consolidated profit before income taxes increased 19.9% year on year to 22,181 million yen. This was mainly due to increased operating profit.

Consolidated profit attributable to owners of the parent company increased 19.1% year on year to 15,098 million yen.

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

(a) Kakaku.com Business

Kakaku.com business's revenue grew 9.1% year on year to 17,225 million yen, while its segment income increased 2.5% year on year to 8,246 million yen in the nine months ended December 31, 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 almost come to an end. In the service business, although the favorable progress in marketing in the financial and telecommunications domains has begun to level off, overall performance has nevertheless been strong. In the advertising business, although there were no significant changes in the business environment, advertisement placements are beginning to increase. In the insurance business, the number of applications increased, particularly for fire insurance.

As a result, revenue in the shopping business increased 1.7% year on year to 5,607 million yen, revenue in the service business increased 15.3% year on year to 7,144 million yen, revenue in the advertising business increased 3.9% year on year to 2,187 million yen, and revenue in the insurance business increased 15.5% year on year to 2,288 million yen.

Kakaku.com had 38.67 million monthly unique users² in December 2024.

(b) Tabelog Business

The Tabelog business's revenue grew 20.4% year on year to 24,630 million yen, while its segment income increased 27.0% year on year to 13,677 million yen in the nine months ended December 31, 2024.

Revenue from the restaurant advertising business³ increased 12.3% year on year to 10,693 million yen, and revenue from the restaurant reservation business³ increased 33.1% year on year to 11,273 million yen. As a result of the steady rise in the demand for dining out, online reservations increased 30.3% year on year to a total of 77.69 million people in the nine months ended December 31, 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 86,000 as of December 31, 2024.

The premium membership business's revenue rose 4.7% year on year to 1,198 million yen due to an increase in fee-paying members. The advertising business's revenue increased 8.2% year on year to 1,414 million yen.

Tabelog had 101.50 million monthly unique users² in December 2024.

(c) Kyujin Box Business

The Kyujin Box business's revenue grew 37.3% year on year to 9,108 million yen, while its segment income increased 10.9% year on year to 3,682 million yen in the nine months ended December 31, 2024.

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

Kyujin Box had 8.88 million monthly unique users² in December 2024.

(d) Incubation Business

The incubation business's revenue decreased 1.3% year on year to 5,725 million yen, while its segment income decreased 3.7% year on year to 1,252 million yen in the nine months ended December 31, 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. 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.

3. 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 December 31, 2024, totaled 91,749 million yen, an 8,441 million yen increase from March 31, 2024. The increase was mainly a 5,267 million yen increase in cash and cash equivalents, a 2,165 million yen increase in other current assets and a 1,403 million yen increase in trade and other receivables.

Liabilities

Consolidated liabilities at December 31, 2024, totaled 34,596 million yen, a 2,979 million yen increase from March 31, 2024. This was mainly the net result of a 1,186 million yen decrease in income taxes payable, despite a 3,395 million yen increase in other current liabilities and an 838 million yen increase in trade and other payables.

Equity

Consolidated equity at December 31, 2024, totaled 57,152 million yen, a 5,461 million yen increase from March 31, 2024. This was mainly the net result of a declaration of a 9,487 million yen dividend from retained earnings, despite recording profit attributable to owners of the parent company of 15,098 million yen.

(b) Cash Flows

Cash and cash equivalents (“cash”) at December 31, 2024, totaled 42,969 million yen, a 5,267 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 18,595 million yen (vs. 10,289 million yen provided in the year-earlier period). The main outflows were 22,181 million yen of profit before income taxes, 3,395 million yen of increase in other current liabilities and 2,867 million yen of depreciation and amortization, which were offset by 8,264 million yen of income taxes paid and 2,165 million yen of increase in other current assets.

Cash flows from investing activities

Investing activities used net cash of 2,400 million yen (vs. 1,742 million yen used in the year-earlier period). This was primarily due to 1,621 million yen for purchase of intangible assets.

Cash flows from financing activities

Financing activities used net cash of 10,942 million yen (vs. 15,771 million yen used in the year-earlier period). This was primarily due to 9,483 million yen for dividends paid and 1,056 million yen for repayments of lease obligations.

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

Regarding our earnings to date, revenue and profits in our main businesses have been stronger than expected. However, in light of possible investments in our main businesses, we are leaving the full-year consolidated earnings forecast unchanged from the forecast published on May 9, 2024 in the “Consolidated Earnings Report for the Fiscal Year Ended March 31, 2024.” Looking ahead, if such investments are made and it is determined that this will have a significant impact on our earnings, we will issue a prompt disclosure.

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

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	37,702	42,969
Trade and other receivables	11,808	13,211
Other financial assets	442	426
Other current assets	10,435	12,600
Subtotal	60,386	69,205
Assets held for sale	305	–
Total current assets	60,692	69,205
Non-current assets		
Property, plant and equipment	2,101	2,243
Right-of-use assets	5,372	4,989
Goodwill and other intangible assets	7,454	7,126
Investments accounted for using equity method	33	18
Other financial assets	6,220	6,745
Deferred tax assets	1,342	1,359
Other non-current assets	95	64
Total non-current assets	22,617	22,543
Total assets	83,308	91,749

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Trade and other payables	4,189	5,027
Bonds and borrowings	121	34
Other financial liabilities	628	1,218
Income taxes payable	4,273	3,088
Lease liabilities	1,221	1,398
Employee benefit obligations	2,235	2,054
Other current liabilities	14,104	17,499
Total current liabilities	26,772	30,318
Non-current liabilities		
Bonds and borrowings	134	118
Lease liabilities	3,700	3,188
Provisions	542	543
Other non-current liabilities	469	430
Total non-current liabilities	4,845	4,279
Total liabilities	31,617	34,596
Equity		
Capital stock	916	916
Capital surplus	78	–
Retained earnings	51,186	56,744
Treasury shares	(1,175)	(877)
Other components of equity	376	85
Total equity attributable to owners of the parent company	51,380	56,868
Non-controlling interests	311	284
Total equity	51,691	57,152
Total liabilities and equity	83,308	91,749

(2) Condensed Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	48,679	56,687
Operating expenses	30,455	34,033
Other income	81	8
Other expenses	7	8
Impairment losses	–	588
Operating profit	18,299	22,065
Finance income	189	169
Finance expenses	15	39
Share of profit (loss) of associates and joint ventures accounted for by the equity method	31	(15)
Profit before income taxes	18,505	22,181
Income tax expense	5,806	7,118
Profit	12,699	15,062
Profit attributable to:		
Owners of the parent company	12,677	15,098
Non-controlling interests	22	(36)
Earnings per share		
Basic earnings per share (yen)	63.12	76.38
Diluted earnings per share (yen)	63.07	76.34

(3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	12,699	15,062
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	23	8
Total items that will not be reclassified to profit or loss	23	8
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2	2
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	2	2
Other comprehensive income (Net of related tax effect)	24	10
Comprehensive income	12,723	15,072
Comprehensive income attributable to:		
Owners of the parent company	12,701	15,109
Non-controlling interests	22	(36)

(4) Condensed Consolidated Statements of Changes in Equity

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 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	–	–	12,677	–	–	–	–	–	–	12,677	22	12,699
Other comprehensive income	–	–	–	–	23	2	(0)	–	24	24	(0)	24
Total comprehensive income	–	–	12,677	–	23	2	(0)	–	24	12,701	22	12,723
Dividends	–	–	(8,648)	–	–	–	–	–	–	(8,648)	–	(8,648)
Purchase and disposal of treasury shares	–	–	3	(3,960)	–	–	–	(10)	(10)	(3,967)	–	(3,967)
Share-based payment transactions	–	–	–	–	–	–	–	49	49	49	–	49
Forfeiture of share acquisition rights	–	21	–	–	–	–	–	(21)	(21)	–	–	–
Other	–	(1)	–	–	–	–	–	–	–	(1)	–	(1)
Total transactions with owners	–	19	(8,644)	(3,960)	–	–	–	18	18	(12,567)	–	(12,567)
Balance at end of period	916	84	52,169	(5,556)	(21)	(11)	(7)	442	403	48,016	306	48,322

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 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	–	–	15,098	–	–	–	–	–	–	15,098	(36)	15,062
Other comprehensive income	–	–	–	–	8	2	–	–	10	10	0	10
Total comprehensive income	–	–	15,098	–	8	2	–	–	10	15,109	(36)	15,072
Dividends	–	–	(9,487)	–	–	–	–	–	–	(9,487)	–	(9,487)
Purchase and disposal of treasury shares	–	(53)	–	298	–	–	–	(245)	(245)	0	–	0
Changes in ownership interest in subsidiaries	–	(338)	–	–	–	–	–	–	–	(338)	9	(329)
Share-based payment transactions	–	52	–	–	–	–	–	115	115	167	–	167
Exercise of share acquisition rights	–	212	–	–	–	–	–	(174)	(174)	38	–	38
Forfeiture of share acquisition rights	–	3	–	–	–	–	–	(3)	(3)	–	–	–
Other	–	46	(52)	–	–	–	6	–	6	–	–	–
Total transactions with owners	–	(78)	(9,540)	298	–	–	6	(306)	(301)	(9,620)	9	(9,611)
Balance at end of period	916	–	56,744	(877)	(49)	(5)	–	140	85	56,868	284	57,152

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,505	22,181
Adjustments to reconcile profit before income taxes		
Depreciation and amortization	2,791	2,867
Impairment losses	–	588
Interest and dividend income	(6)	(5)
Decrease (increase) in trade and other receivables	(1,806)	(1,403)
Increase (decrease) in trade and other payables	281	935
Increase (decrease) in other financial liabilities	(957)	586
Decrease (increase) in other current assets	(1,607)	(2,165)
Increase (decrease) in other current liabilities	2,094	3,395
Other	(410)	(111)
Subtotal	18,884	26,869
Interest and dividend income received	10	9
Interest paid	(23)	(19)
Income taxes paid	(8,582)	(8,264)
Net cash provided by (used in) operating activities	10,289	18,595
Cash flows from investing activities		
Purchase of property, plant and equipment	(278)	(698)
Purchase of intangible assets	(1,331)	(1,621)
Purchase of investment securities	(147)	(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)	(122)
Other	(40)	0
Net cash provided by (used in) investing activities	(1,742)	(2,400)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(30)	(87)
Repayments of long-term loans payable	(30)	(16)
Repayment of lease obligations	(1,069)	(1,056)
Purchase of treasury shares	(6,003)	(0)
Dividends paid	(8,639)	(9,483)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(329)
Proceeds from issuance of share options	3	38
Other	(4)	(8)
Net cash provided by (used in) financing activities	(15,771)	(10,942)
Effect of exchange rate change on cash and cash equivalents	10	14
Net increase (decrease) in cash and cash equivalents	(7,215)	5,267
Cash and cash equivalents at beginning of period	36,453	37,702
Cash and cash equivalents at end of period	29,238	42,969

(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 nine months ended December 31, 2023 has been prepared and disclosed based on the reportable segment categories for the nine months ended December 31, 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 nine months ended December 31, 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
 Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Condensed consolidated statement of income
	Kakaku.com	Tabelog	Kyujin Box	Incubation	Total		
Revenue							
Revenue from external customers	15,795	20,451	6,631	5,801	48,679	–	48,679
Intersegment revenue	–	–	–	32	32	(32)	–
Total	15,795	20,451	6,631	5,834	48,712	(32)	48,679
Segment income (Note 2)	8,048	10,771	3,319	1,300	23,439	(5,140)	18,299
Finance income							189
Finance expenses							15
Share of profit (loss) of associates and joint ventures accounted for by the equity method							31
Profit before income taxes							18,505

(Note 1) Adjustments of segment income of (5,140) million yen include corporate expenses of (5,140) 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.

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Condensed consolidated statement of income
	Kakaku.com	Tabelog	Kyujin Box	Incubation	Total		
Revenue							
Revenue from external customers	17,225	24,630	9,108	5,725	56,687	–	56,687
Intersegment revenue	1	–	–	59	60	(60)	–
Total	17,226	24,630	9,108	5,783	56,747	(60)	56,687
Segment income (Notes 2, 3)	8,246	13,677	3,682	1,252	26,858	(4,792)	22,065
Finance income							169
Finance expenses							39
Share of profit (loss) of associates and joint ventures accounted for by the equity method							(15)
Profit before income taxes							22,181

(Note 1) Adjustments of segment income of (4,792) million yen include corporate expenses of (4,792) 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 nine months ended December 31, 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)

(Change in subsidiary through share transfer)

The Company, at a Board of Directors meeting held on January 22, 2025, has resolved to transfer all shares held in its consolidated subsidiary, Pathee Inc. to mov inc. On the same day, the Company executed a share transfer agreement regarding this transaction.

For details, please refer to the “Notice Regarding Change in Subsidiary Through Share Transfer” released on January 22, 2025.