

July 21, 2021

For Immediate Release

(English translation of the original Japanese document)

Company Name: Kakaku.com, Inc.

Representative: Shonosuke Hata, President and Representative Director

(Stock code: 2371; First Section of the Tokyo Stock Exchange)

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Notice of Absorption-type Merger of a Subsidiary (Simplified Merger and Short Form Merger)

Kakaku.com, Inc. (hereinafter, the “Company”) hereby announces that at the meeting of Board of Directors held on July 21, 2021, the Company resolved to carry out an absorption-type merger (hereinafter, the “Merger”) of its consolidated subsidiary, forTravel, Inc. (hereinafter, “forTravel”).

The Company is omitting some disclosure items and details because the Merger is a simplified absorption-type merger of a consolidated subsidiary, in which the Company holds a 90.2% stake.

1. Purpose of the Merger

As part of an organizational restructuring aimed at rebuilding the Group’s management resources related to travel-related businesses, the Company will carry out an absorption type merger of its consolidated subsidiary fortravel, which operates the travel review and comparison site 4travel.

2. Outline of the Merger

(1) Schedule of the Merger

Date of the resolution of the Board of Directors	July 21, 2021
Date of signing of the Merger agreement	July 21, 2021
Effective date of the Merger	September 1, 2021 (planned)

(As the Merger falls under a simplified absorption-type merger as prescribed in Article 796, Paragraph 2 of the Companies Act in relation to the Company, and a short-form merger as prescribed in Article 784, Paragraph 1 of the same act in relation to forTravel, the Merger agreement will be approved without convening a General Meeting of Shareholders of either companies.)

(2) Method of the Merger

The Merger will be an absorption-type merger, with the Company as the surviving company, and forTravel will be dissolved.

(3) Details of allotment related to the Merger

	the Company (the Surviving Company)	forTravel (the Dissolving Company)
Allocation ratio for the Merger	1	2.80
Number of shares to be delivered as a result of the Merger	5,796 shares of Common stock of the Company	

Note 1: The Company will allot and deliver 2.80 shares of the Company's common stock for each share of common stock held to shareholders registered or recorded in the final register of shareholders of forTravel as of the day before the effective date of the Merger.

Note 2: The total number of shares of common stock of the Company to be allotted as a result of the Merger is 5,796 shares, and since the allotment will be made using treasury stock held by the Company, no new shares will be issued.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the dissolving company

forTravel has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Basis for the allotment related to the Merger

In order to ensure fairness and appropriateness in determining the Merger Ratio as described in "2. (3) Details of Allocation of Shares in the Merger," the Company requested KPMG FAS Co. Ltd. and forTravel requested accrea Inc. to conduct a third-party calculation of the merger consideration, and merger ratio calculation reports from both companies were received. The Company has also received a merger ratio calculation sheet from KPMG FAS Co. Ltd.

As for the calculation method of the share value, the average market price method was adopted for the Company, which is a listed company, and the calculation was based on the closing price of the Company's stock on the First Section of the Tokyo Stock Exchange on the calculation base date of June 18, 2021, and the average closing prices for the past one month, three months, and six months prior to the calculation base date. On the other hand, since forTravel is an unlisted company, the calculation was made using the discounted cash flow method (DCF method) with the last day of March 2021 as the calculation base date. With regard to the business performance of forTravel during the business plan period used in the DCF analysis, it is expected that the profit will increase through the fiscal year ending March 2026 and that the company will return to profitability in a single fiscal year, mainly due to the expected increase in revenue resulting from a recovery of the travel market due to the cessation of the new coronavirus. As a result of comprehensively taking into consideration factors such as financial conditions and future prospects of assets, with reference to the results of the calculations by said third-party institution, the Company has come to the conclusion that the Merger Ratio is appropriate.

The calculation results and valuation range of the allotment ratio of common stock for this absorption-type Merger are as follows.

Calculation Method		Merger Ratio Calculation Results
the Company (the Surviving Company)	forTravel (the Dissolving Company)	
average market price method	DCF method	2.30 - 3.41

Note: The number of the Company's shares to be allotted for each share of forTravel is shown.

4. Overview of the companies involved in the Merger (as of March 31, 2021)

	Surviving Company	Dissolving Company
(1) Trade name	Kakaku.com, Inc.	forTravel, Inc.
(2) Address	3-5-7 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	1-18-14 Ebisu, Shibuya-ku, Tokyo, Japan
(3) Name and title of representative	Shonosuke Hata, President and Representative Director	Go Kawasaki, President and Representative Director
(4) Nature of Business	Planning and operating of purchasing support site Kakaku.com, restaurant discovery and reservation site Tabelog, etc.; developing and providing of a dynamic packaging system; creating and providing movie content and websites	Operation of travel review and comparison site 4travel, etc.
(5) Share capital	JPY 915 million	JPY 191 million
(6) Founded	December 11, 1997	October 14, 2003
(7) Number of shares issued	206,705,000 shares	21,035 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratios (as of March 31, 2021)	Digital Garage, Inc. 20.6% KDDI Corporation 17.0% The Master Trust Bank of Japan, Ltd. (Trust Account) 6.3% Custody Bank of Japan, Ltd. (Trust Account) 3.5% STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.) 3.2% (The shareholding ratio is calculated after deducting treasury stock.)	Kakaku.com, Inc. 90.2% Other individual shareholders 9.8%
(10) Financial position and results of operations for the most recent fiscal year		
Fiscal year	Fiscal Year ended Mar. 31, 2021 (Consolidated: IFRS)	Fiscal Year ended Mar. 31, 2021 (Standalone: JGAAP)
Equity attributable to owners of the Company	JPY 46,880 million	JPY 200 million
Total assets	JPY 70,958 million	JPY 250 million
Equity per share attributable to owners of the Company	JPY 227.57	JPY 9,528.67

Revenue	JPY 51,077 million	JPY 98 million
Operating income	JPY 18,295 million	JPY (283) million
Ordinary Profit	-	JPY (271) million
Profit (loss) before income taxes	JPY 17,904 million	JPY (271) million
Profit or net income attributable to owners of the parent company	JPY 11,763 million	JPY (286) million
Basic net earnings per share or net earnings per share	JPY 57.13	JPY (13,619.38)

Note: we will refrain from disclosing the names of individual shareholders.

5. Status after the Merger

There will be no changes in trade name, address, name and title of representative, nature of business, share capital, or fiscal year end of the Company.

6. Impact on Forecasts

As this is a merger of a consolidated subsidiary of the Company, the impact of the Merger on the Company's consolidated results for the fiscal year ending March 31, 2022 will be negligible

For reference: Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2022

	Revenue	Operating Profit	Profit (loss) before income taxes	Profit attributable to owners of the parent company
Full year	JPY 59,000 million	JPY 23,600 million	JPY 23,500 million	JPY 16,100 million