COOKPAD Inc.

FY2012 Q2 Financial Results

December, 2012

Highlights of FY2012 H1

COOKPAD

■ Total sales increased by 25.7% y/y thanks to growth of Premium Services Business.

■ Paid members steadily increased, already reaching over 850,000 people.

■ Ad business increased due to growth of Banner sales.

Summary of Business Conditions

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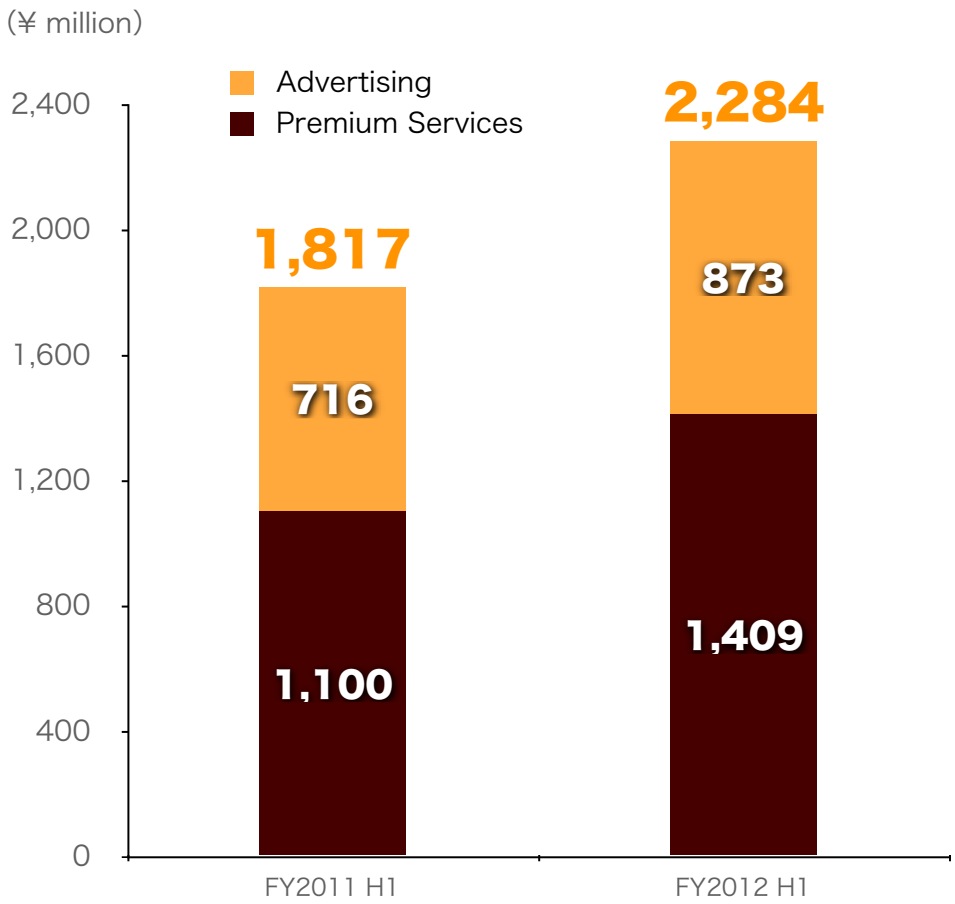
(¥million)

	FY2011 H1	FY2012 H1	y/y
Net sales	1,817	2,284	+25.7%
Operating Income	878	1,183	+34.8%
Ordinary Income	846	1,164	+37.5%
Net Income	462	718	+55.4%

Net Sales increase/decrease



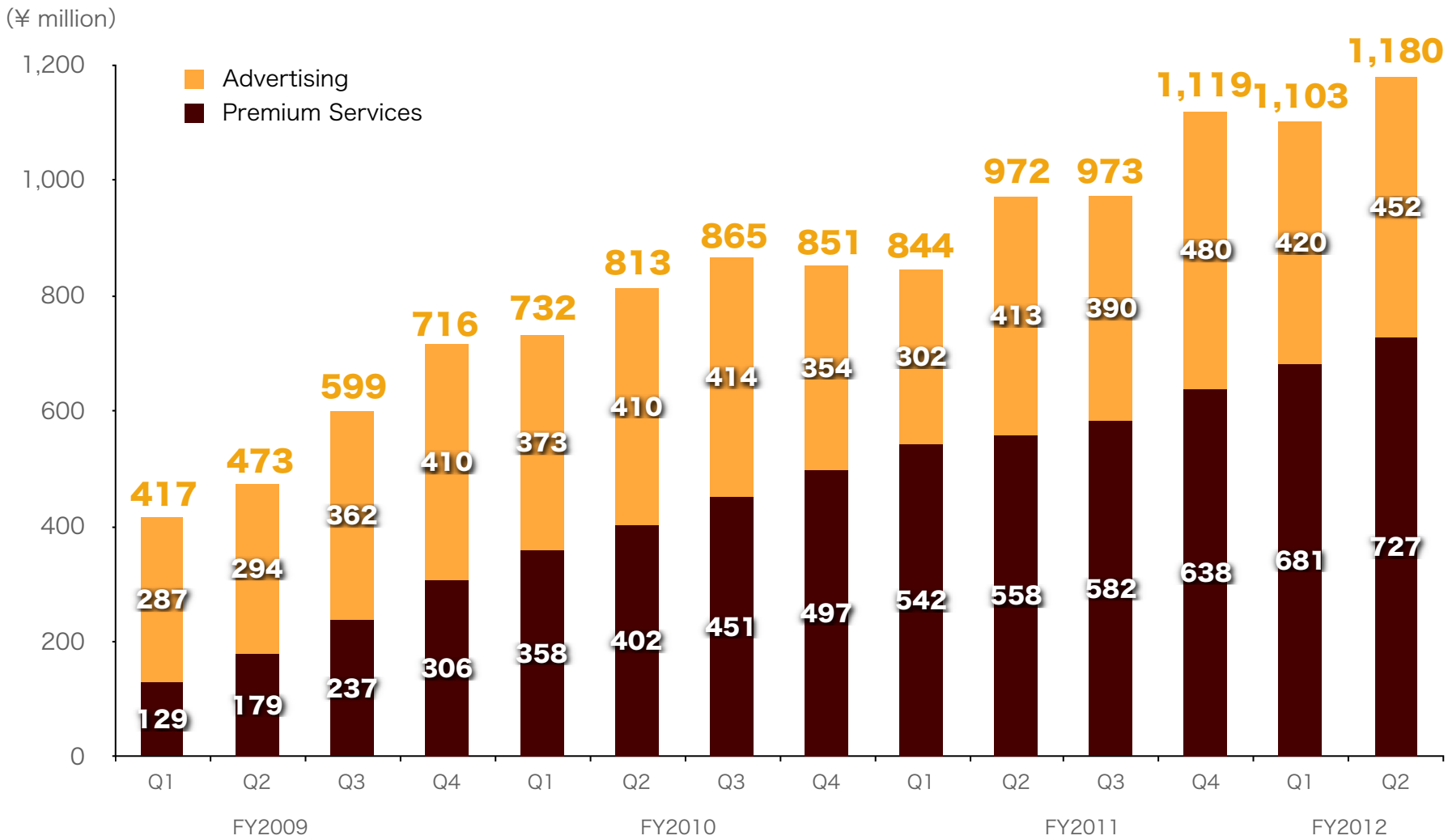
	y/y	Causes
Premium Services	+28.0%	Stable growth of paid members
Advertising	+22.0%	Growth of Banner sales in Q2

※From FY2012, Advertising (new segment) = Marketing Support + Advertising (former segment)

Net Sales by Business

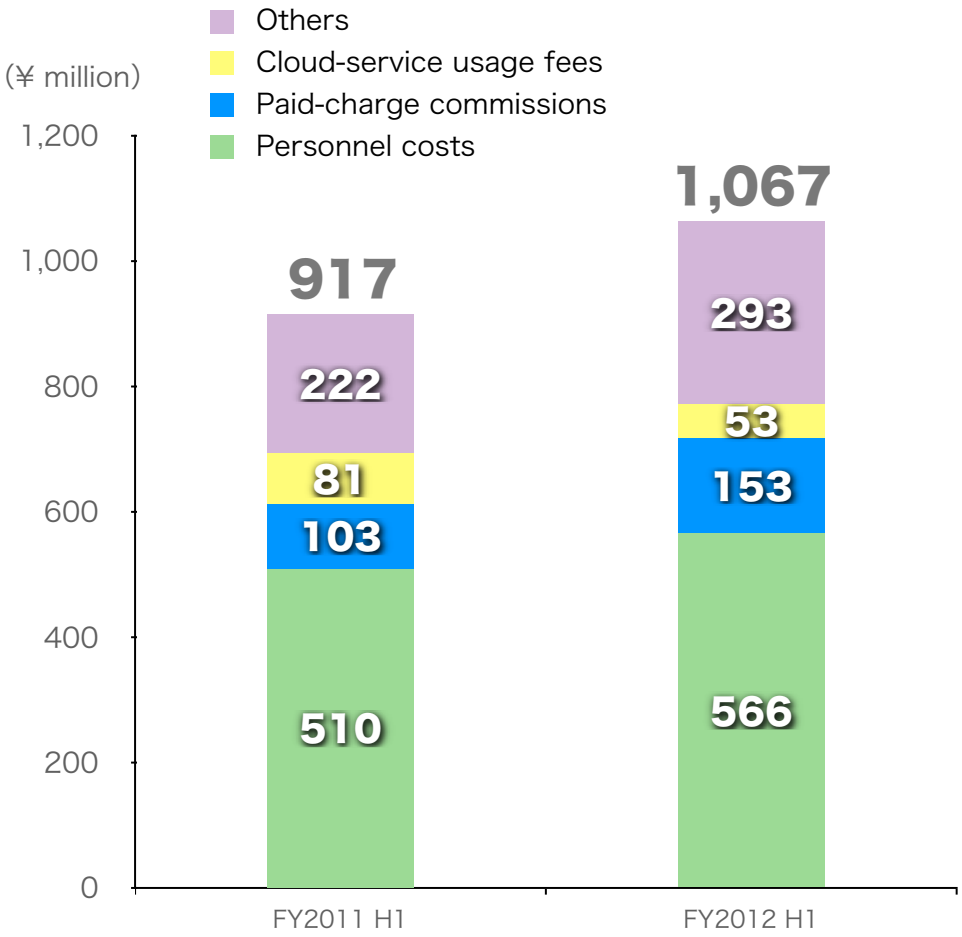
COOKPAD

■ Highest sales in the company's history



※From FY2012, Advertising (new segment) = Marketing Support + Advertising (former segment)

SG&A increase/decrease



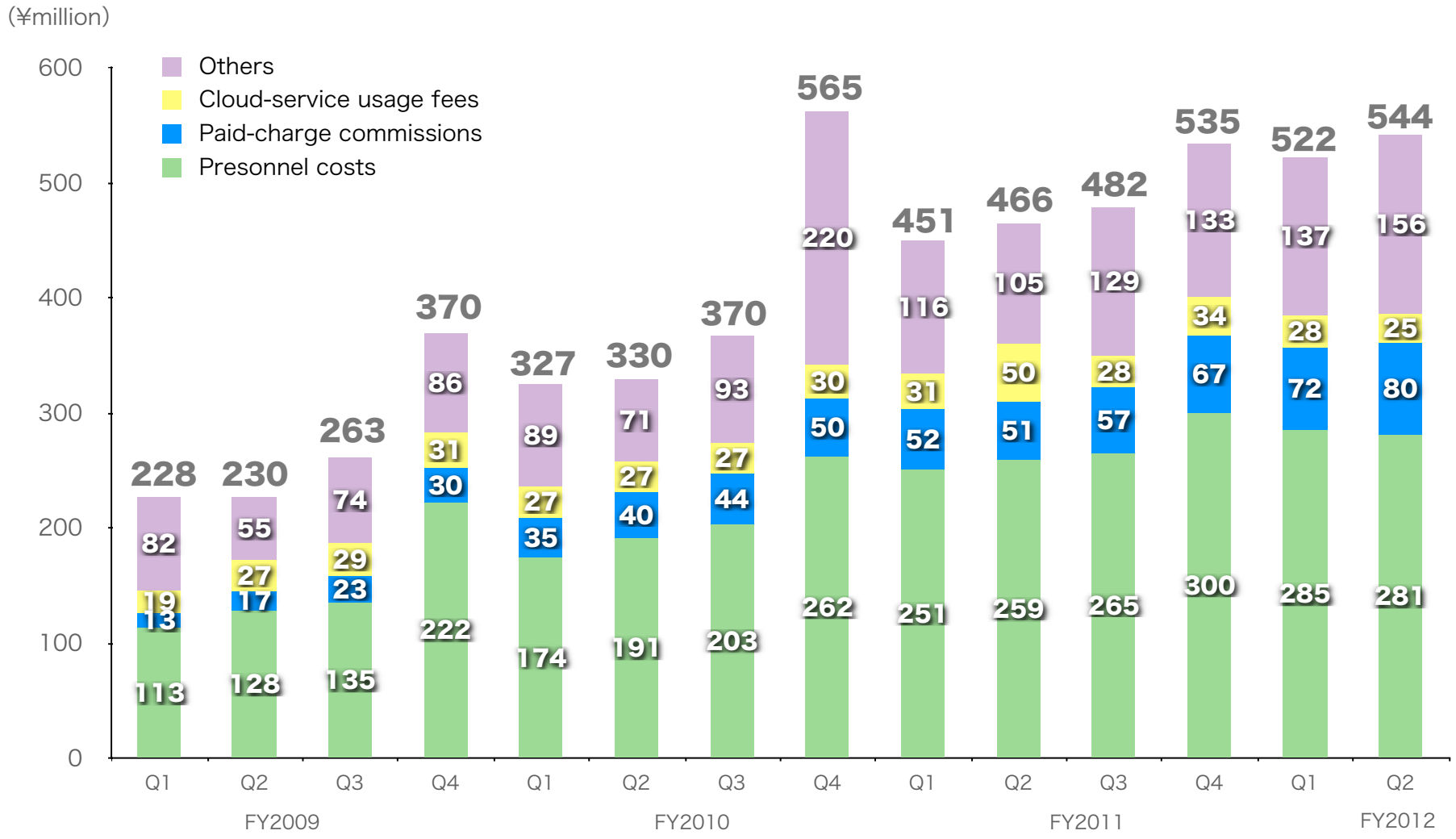
	y/y	Causes
Personnel costs	+11.1%	Growth in no. of employees (98 in Oct. 2011 to 112 in Oct. 2012)
Paid-charge commissions	+48.3%	Increase in paid members
Cloud-service usage fees	-	Predicted to stabilize after AWS migration
Others	+32.1%	Various costs increase due to service expansion

※ Cloud-service usage fees fall into “System related costs” until FY2011

Breakdown of SG&A for Each Quarter

COOKPAD

■ Personnel costs & paid-charge commissions increased

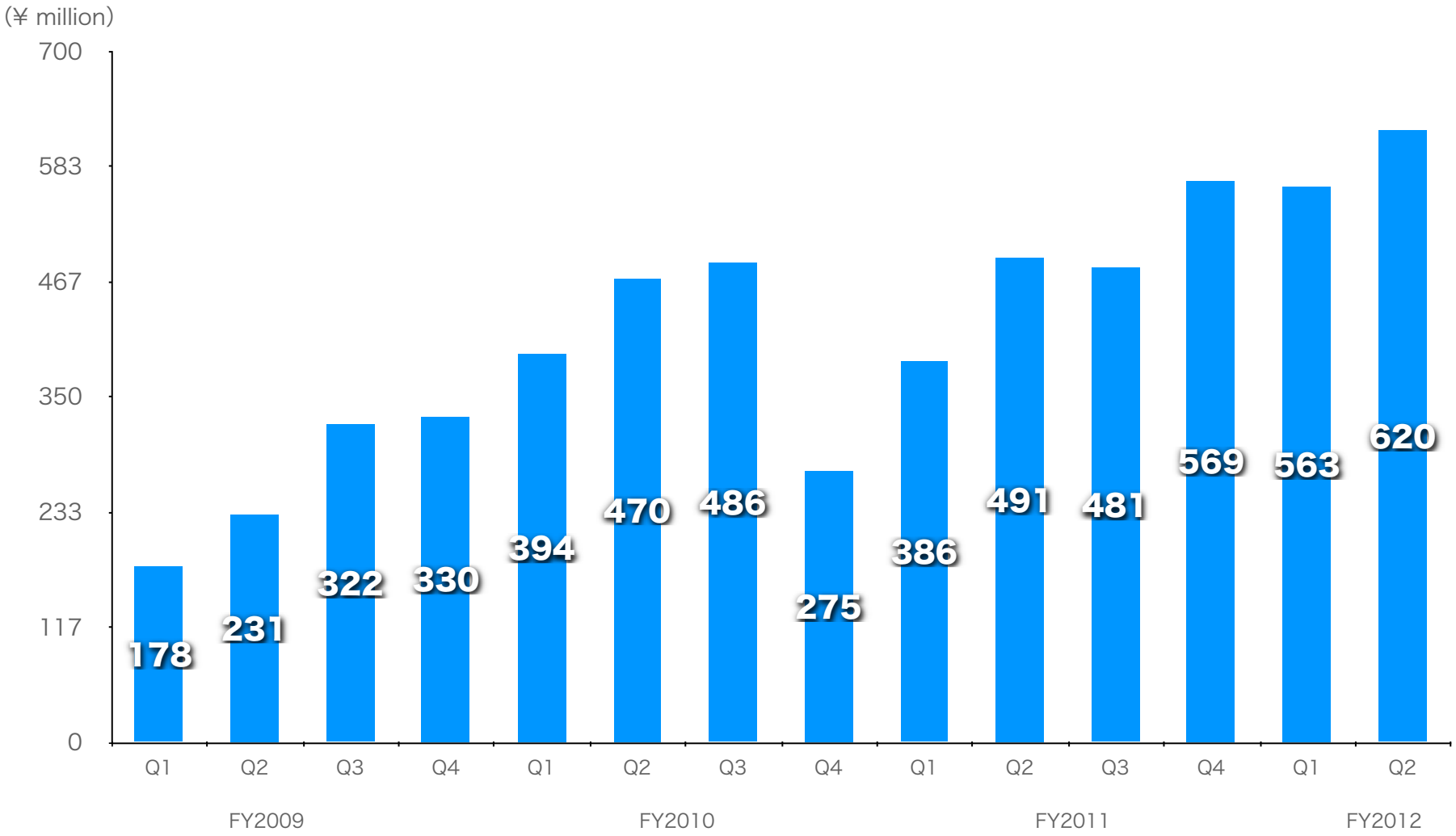


※ Cloud-service usage fees fall into “System related costs” until FY2011

Operating Income for Each Quarter

COOKPAD

■ Highest profit from Operating Income in the company's history



Business Details - Users

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- More than 20 million users on PC and mobile*

Unique users by device, Registered recipes (Oct. 2012)

Device	UUs (million)
PC	14.17
Mobile**	15.24

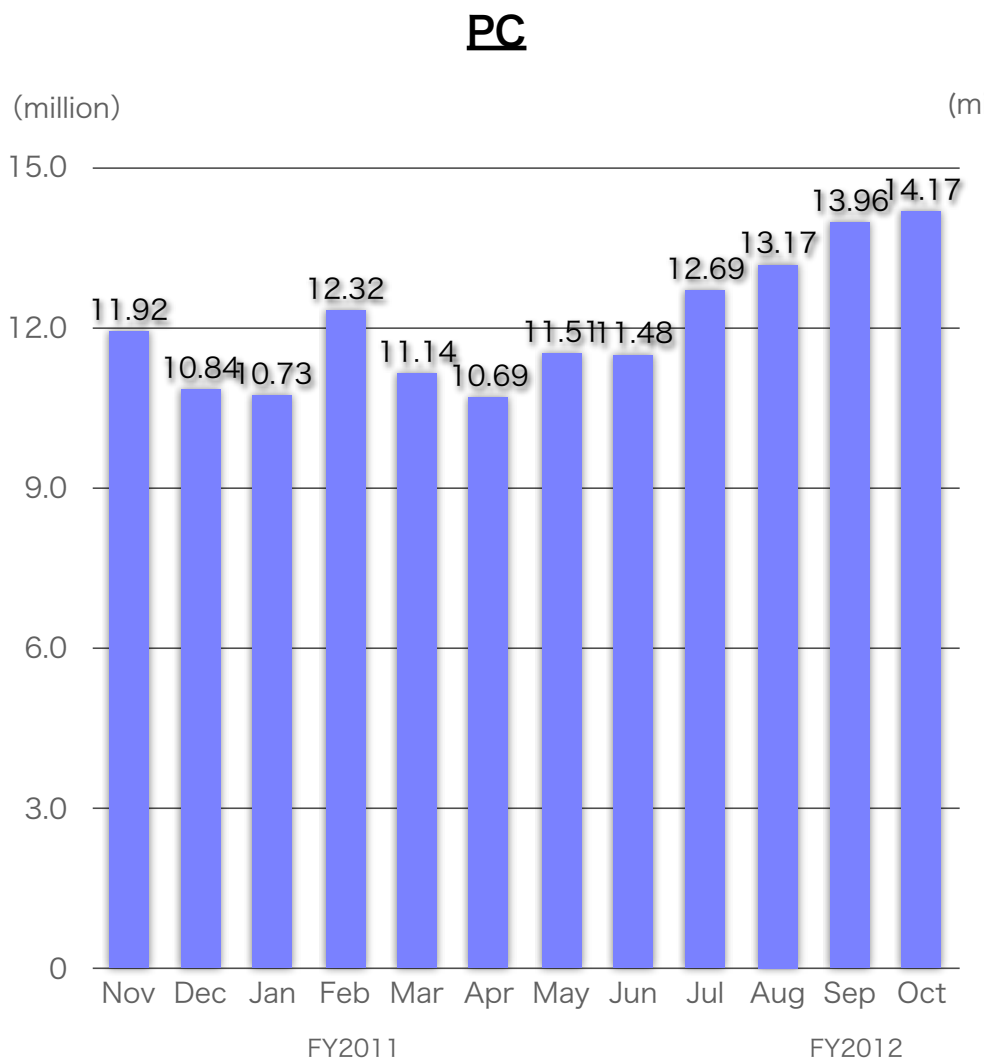
*Estimated number without overlap in PC and mobile. According to our survey in July 2012, 58.6% of PC users said that they also use mobile service.
**Total number of users on Smartphone browsers, Smartphone Apps, and Feature phones.

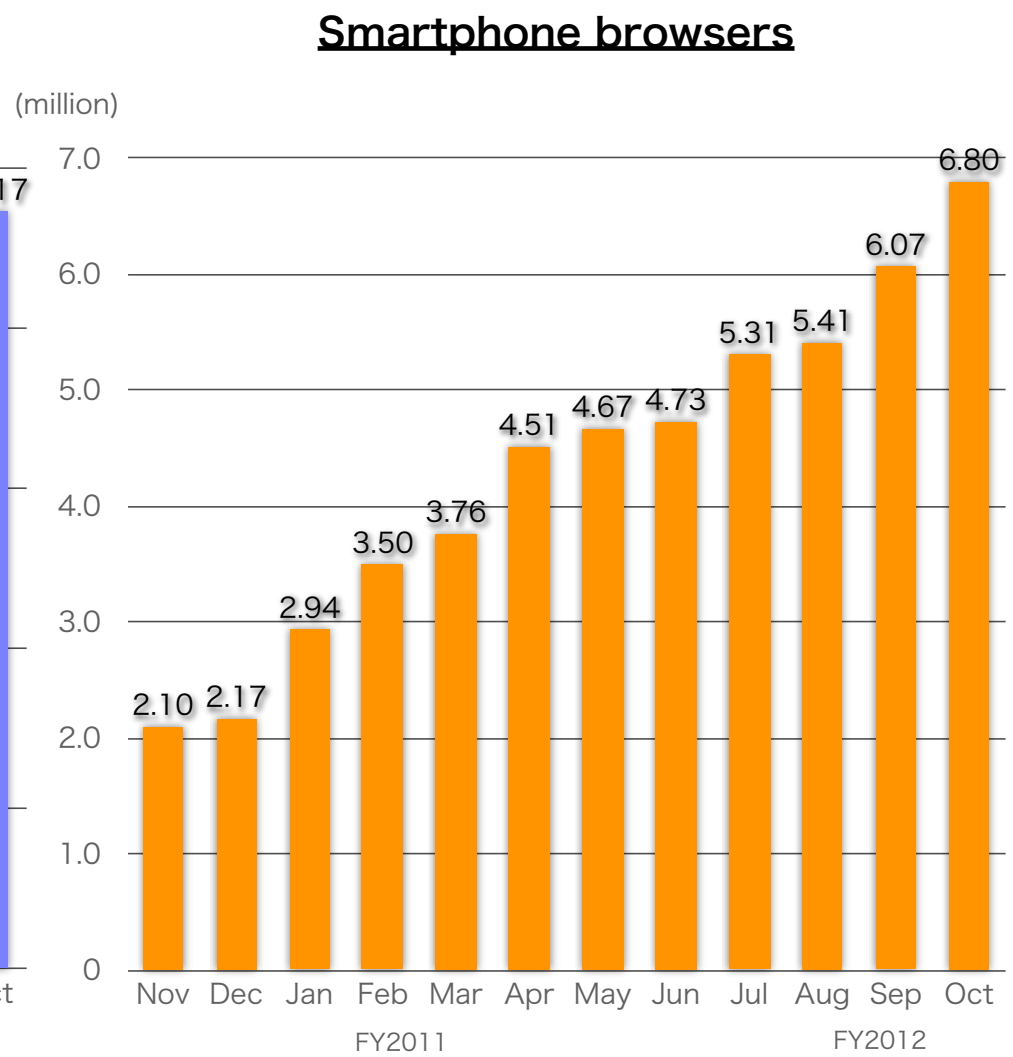
Registered recipes	1.33 million

Monthly UUs (PC and Smartphone browsers)

COOKPAD

■ Users from **Smartphone browsers** steadily increased.





UU growth surpasses that of market

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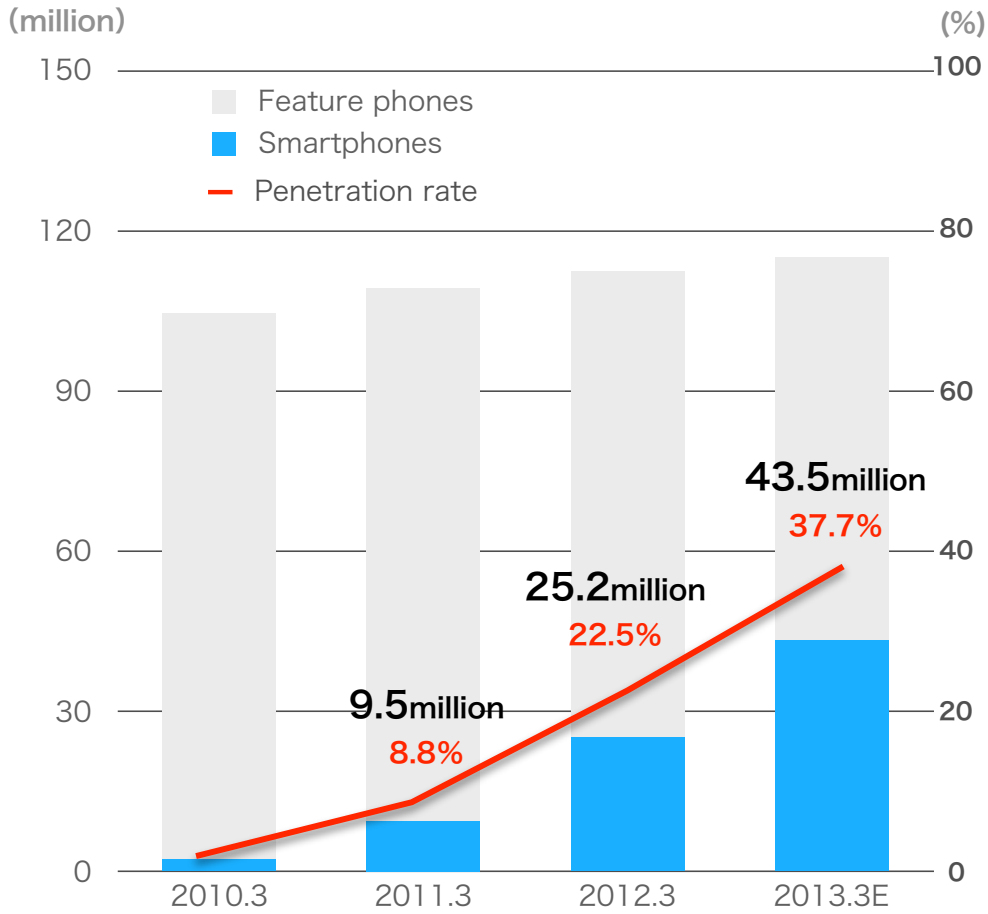
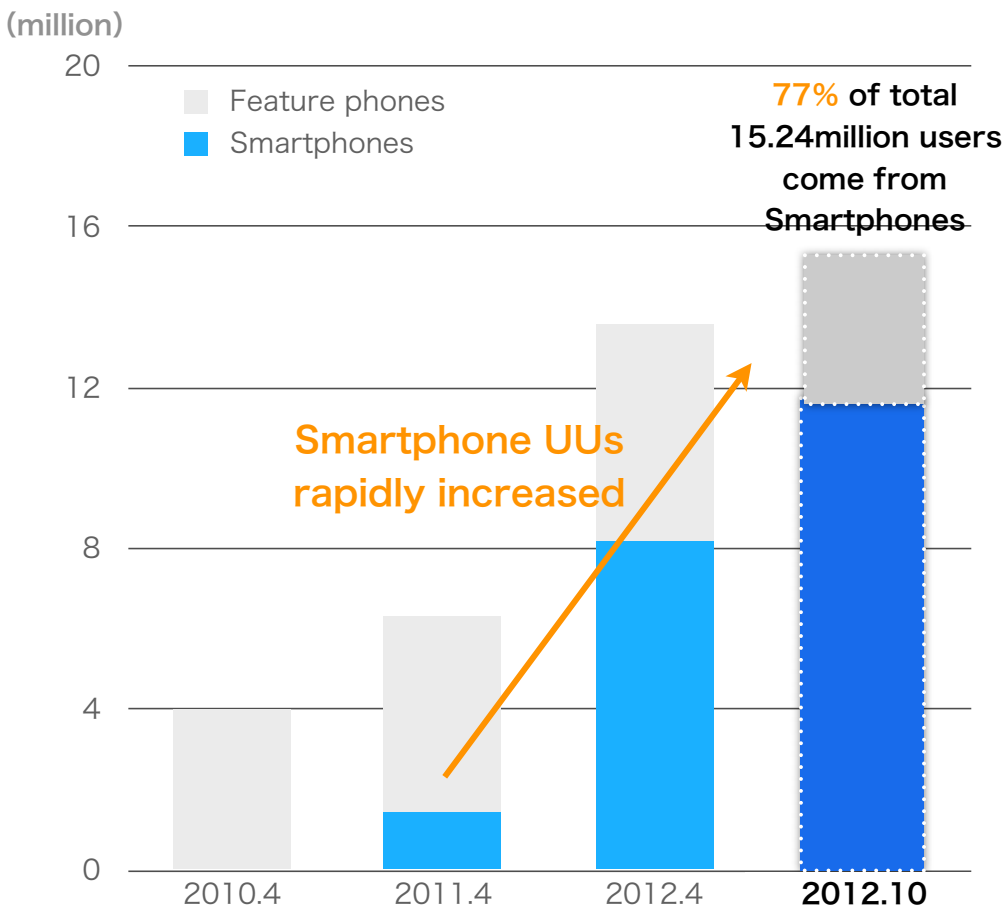
Mobile Subscribers



COOKPAD's mobile UUs



Source: MM Research Institute, March 2012

COOKPAD at chart top in lifestyle services

- Ranked as one of most “reliable” and “popular” services on Smartphones
- Only recipe site to rank among SNS, news, and train search services

	!st	2nd	3rd	4th	5th
Which website/app do you use most frequently?	Facebook	Yahoo!JAPAN	LINE	Twitter	mixi
Which website/app do you think is most reliable?	Norikae-Annai	**COOKPAD**	NIKKEI	Sankei	YOMIURI ONLINE
Which website/app is a hot topic of conversation?	Facebook	**COOKPAD**	NIKKEI	Yahoo! JAPAN	LINE

Source: D.A.Consortium, Nov. 2012

Number one recipe site in Japan

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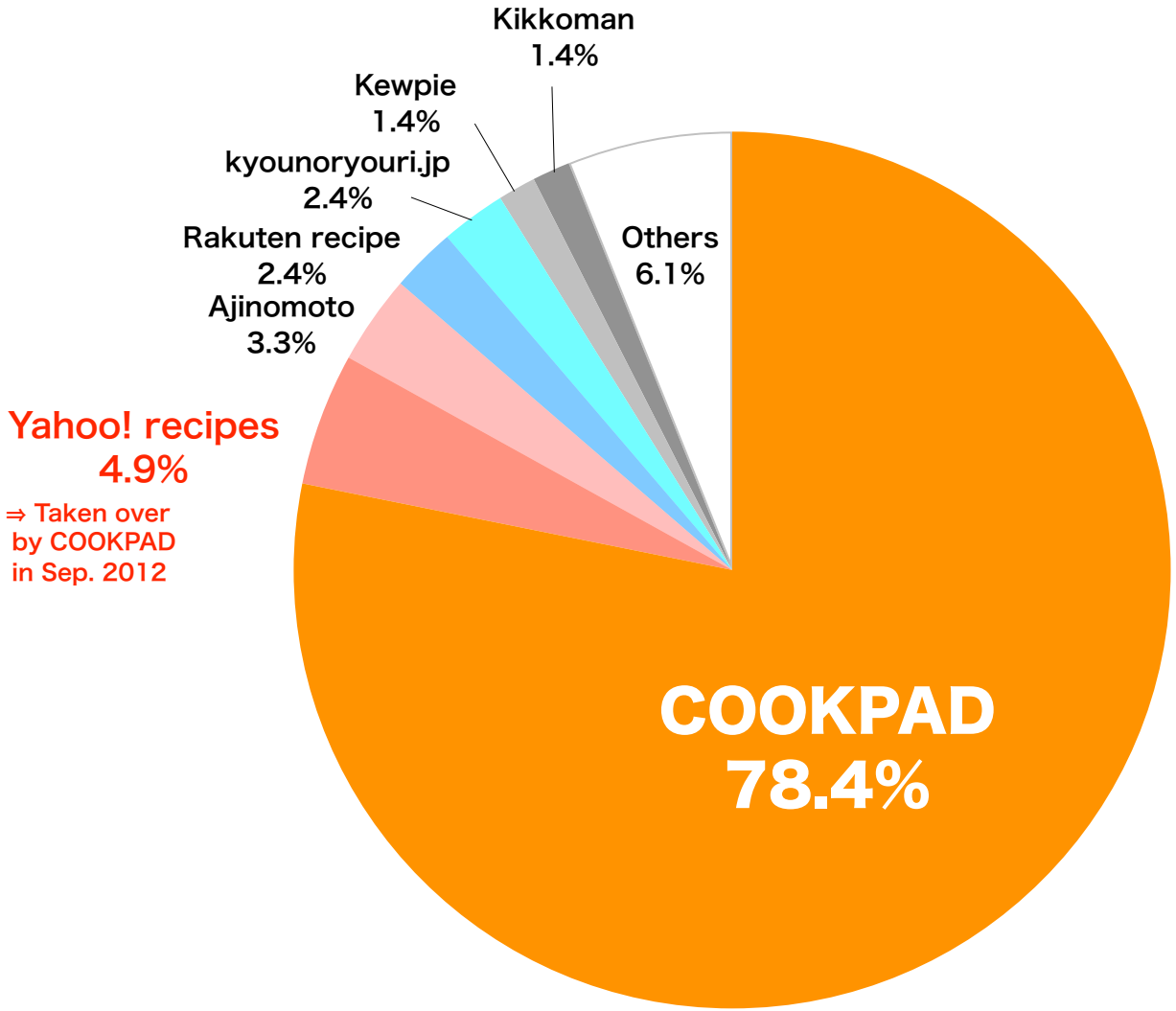
■ "Which recipe site do you use most frequently?"
- 80% of users answered "COOKPAD".

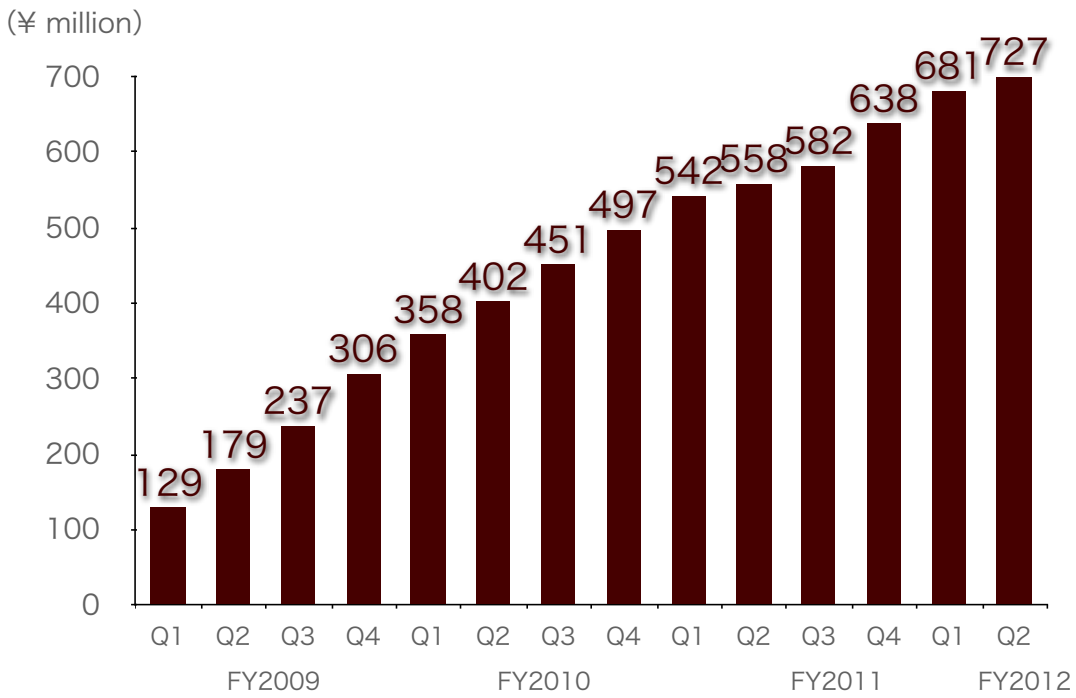


Source: Survey from Nikkei Research Institute of Industry and Regional Economy (Apr. 2012)

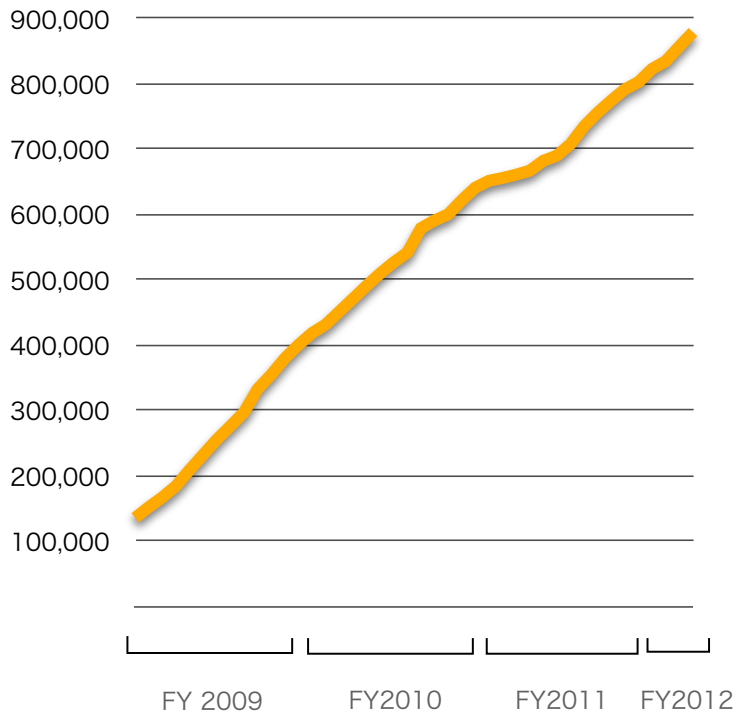
Premium Services Business

- Sales of Premium Services Business increased 30.3% y/y in FY2012 Q2.
- Paid members steadily increased, already reaching over 850,000 people.

Sales for each quarter



Paid members



Number of paid members

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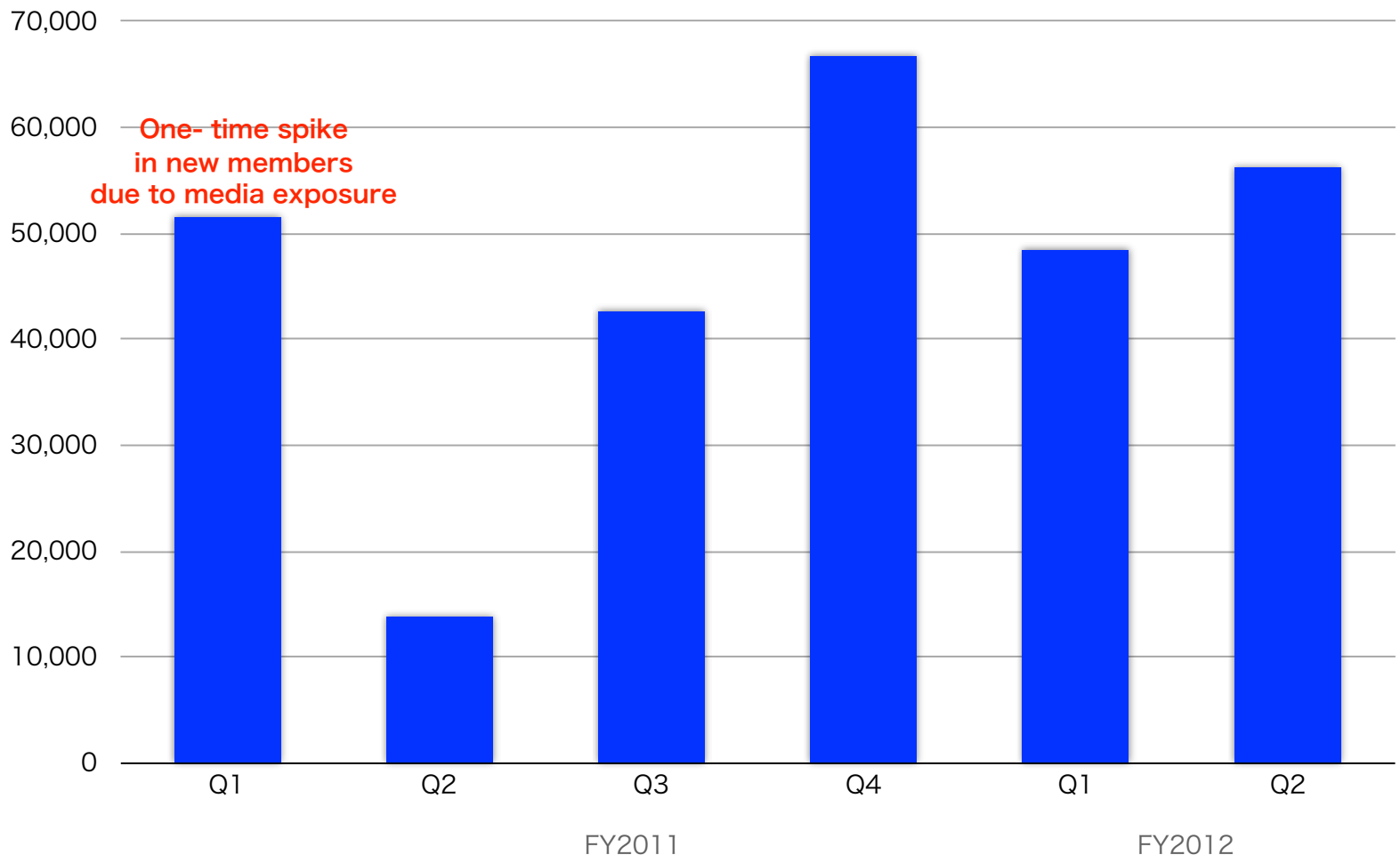
- Both y/y and q/q increase in paid members
- Over 70% of new members from Smartphones

<u>Incremental increase in number of paid members</u>



New developments in Premium Services

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■ Expansion and increased popularity of new services including “Today’s Kondate” and “Premium Categories”

“Today’s Kondate”

- Three themes: ”Healthy,” ”Quick” and ”Cost-saving”
- Nutritionist-recommended daily menus

PC版

スマートフォン向けブラウザ版

“Premium Categories”

- New categories “For kids” and “For Men”

New members thanks to new services

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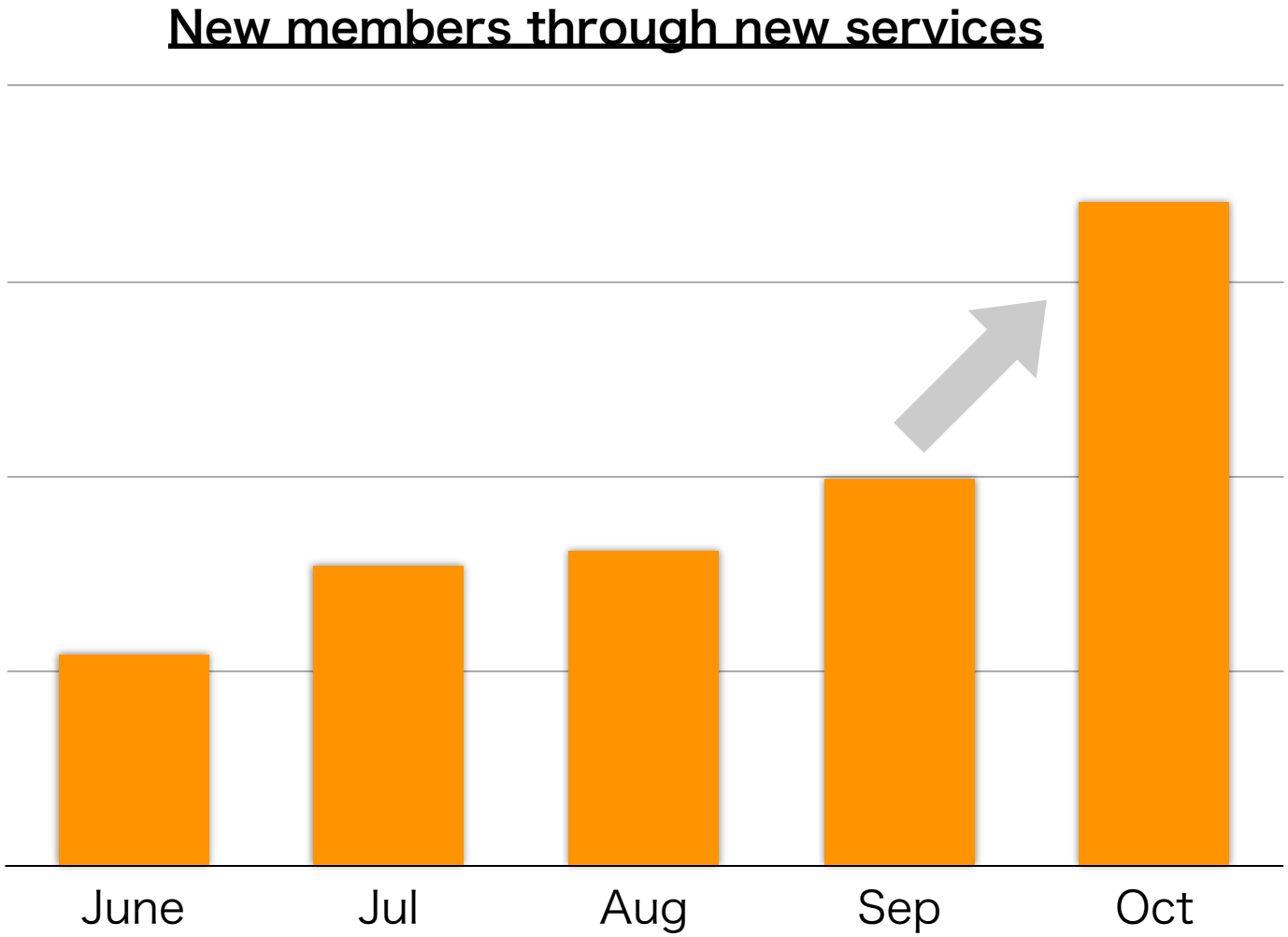
■ 18% of new members coming from individual services in October joined specifically through new services.



30 day free trial campaign!

(From Nov. 13, 2012)

Advertising

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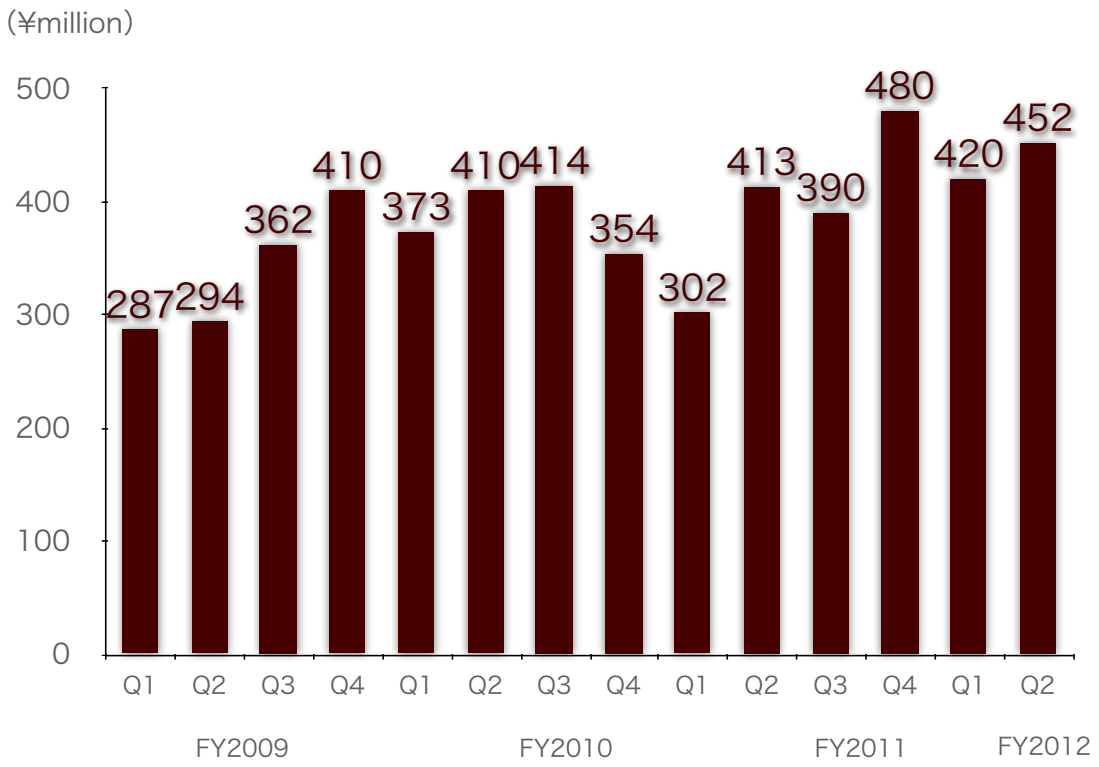
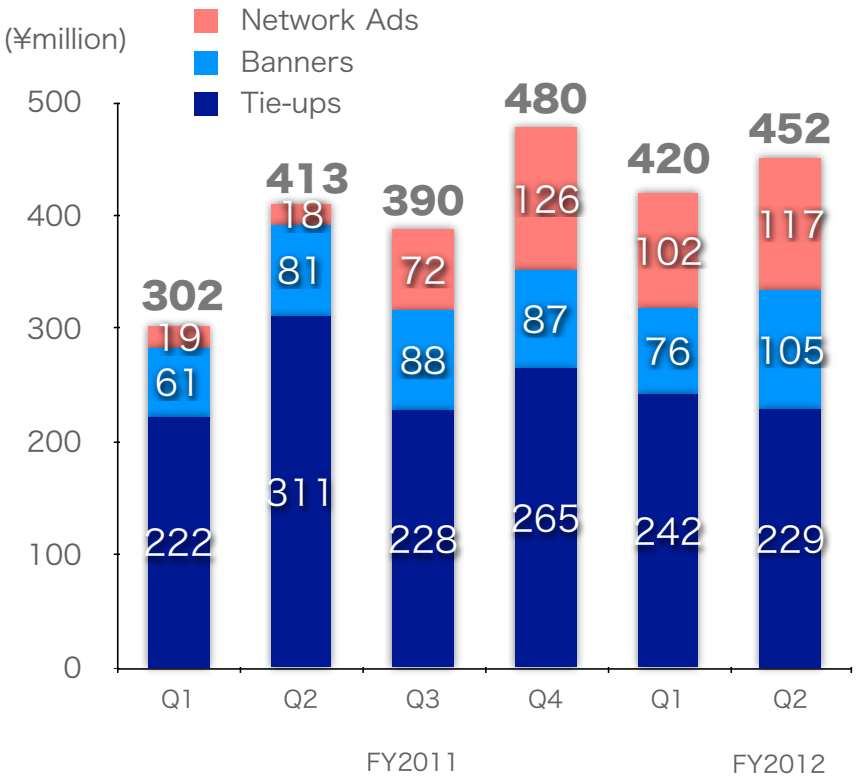
- Sales of Advertising Business increased 9.4% y/y in FY2012 Q2.
- Banner sales increased in Q2.

Sales for each quarter



Breakdown by product



Increasing effective reach of advertising

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<Previous>Specifically targeted ads

top page

tie-up page

Each tie-up page only attained less than 100,000 UUs for one month

<Current>Ads targeting wide audience

More than 1 million UUs for one week

Aggressive investment in new business

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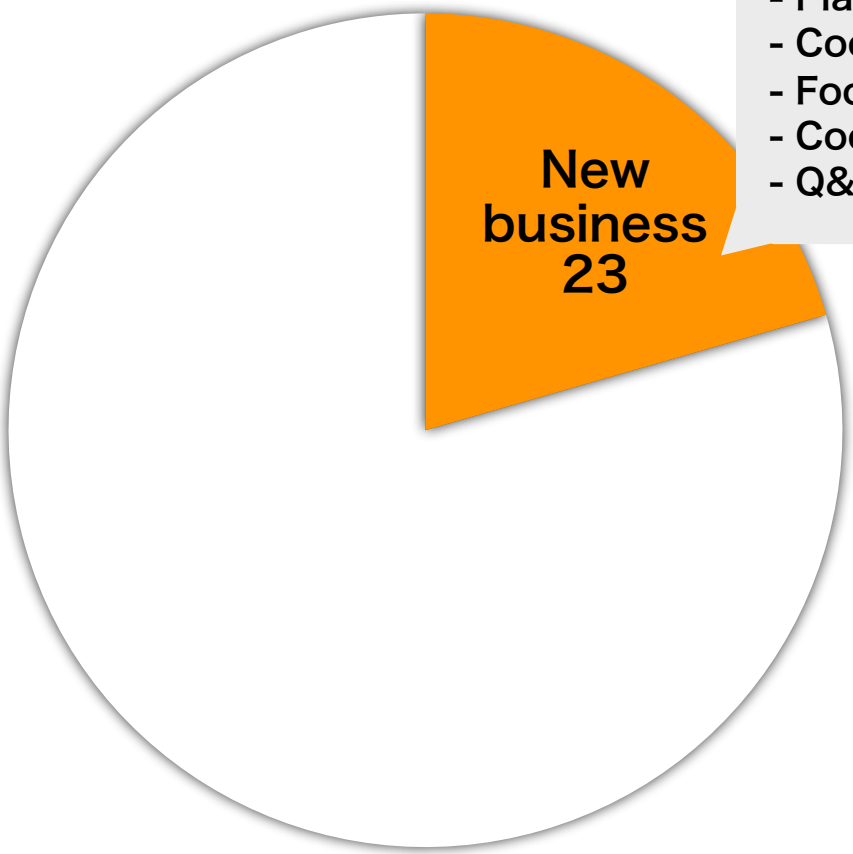
- 20% of employees assigned to new business projects
- Aiming to become the “Infrastructure” for all things related to food



- Platform for pro recipes
- Cooking related e-Commerce
- Food retail services
- Cooking lesson search service
- Q&A message board for food

Total employees
112

New ventures

- Connecting recipe search to special sale information
- Increasing in-store promotions using COOKPAD's recipes

New Topics

COOKPAD

- Investment in Personal finance service “Zaim”
  (42 million yen, Nov. 2012)
- “Zaim” has received over 10 million data entries from its users

Connect people to share great experiences around cooking.

- This document includes some forecasts, which are based on currently available information. It may contain an element of uncertainty. Actual performance data and similar information may differ due to diverse factors.

- We appreciate your understanding. When producing this document, we were careful not to include errors or omissions, but the authenticity and integrity of the information are not guaranteed.