



December 22, 2016

Company: Cookpad Inc.
 Representative: Rimpei Iwata, Representative Executive Officer
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Notice of Change in Subsidiary and Recording of Loss on Remeasurement upon Application of the Equity Method

Cookpad Inc. (the “Company”) hereby announces that the Company resolved at a meeting of the Board of Directors held on December 22, 2016 to cancel an agreement between shareholders concerning Minnano Wedding Co., Ltd. concluded with Director and Executive Officer Yoshiteru Akita* (“Mr. Akita”), as detailed below.

The Company has adopted International Financial Reporting Standards (“IFRS”), and cancellation of the agreement between shareholders will result in a change in the status of Minnano Wedding Co., Ltd. from a consolidated subsidiary of the Company to an equity-method affiliate.

Accompanying the change, the Company expects to record a loss on remeasurement upon application of the equity method as a financial expense in the consolidated financial results for the fiscal year ending December 31, 2016 (IFRS).

*The Company and Mr. Akita concluded the agreement between shareholders (including subsequent changes) described in “Notice on Commencing Tender Offer for Shares of Minnano Wedding Co., Ltd. (code: 3685) and Forming a Business and Capital Alliance with Minnano Wedding Co., Ltd.,” disclosed on April 21, 2015. In the agreement between shareholders, Mr. Akita agreed to exercise voting rights on all shares of Minnano Wedding Co., Ltd. held by Mr. Akita in accordance with the Company’s instructions and agreed not to assign or otherwise dispose of the shares without the Company’s consent.

1. Reason for Cancellation of the Agreement between Shareholders

The Company decided to cancel the agreement between shareholders concluded with Mr. Akita upon the resignation as an executive officer (planned) of Mr. Akita, a director and executive officer of the Company, as detailed in “Notice of Resignation of an Executive Officer,” released today.

2. Outline of Subsidiary Subject to Change (Minnano Wedding Co., Ltd.)

(1) Company name	Minnano Wedding Co., Ltd.	
(2) Principal office	1-13-1 Tsukiji, Chuo-ku, Tokyo, Japan	
(3) Representative	Shinsuke Ishiwatari, President, Representative Director and CEO	
(4) Principal lines of business	Management of web sites for information and word-of-mouth communications on wedding halls	
(5) Capital stock	1,455 million yen (as of September 30, 2016)	
(6) Date of incorporation	October 1, 2010	
(7) Major shareholders and percentage of shares held (as of September 30, 2016)	Cookpad Inc.	26.00%
	Yoshiteru Akita	12.70%
	Keisuke Iio	7.62%
	YJ1 Investment Partnership	7.61%
	Globis Fund III (B), L.P. (standing proxy: SMBC Nikko Securities Inc.)	5.61%
	DeNA Co., Ltd.	5.29%

	Shinsuke Ishiwatari		4.19%
	The Master Trust Bank of Japan, Ltd. (trust account)		3.03%
	Japan Trustee Services Bank, Ltd. (trust account)		2.16%
	Trust and Custody Services Bank, Ltd. (trust account E)		2.07%
(8) Relationships between listed company and the consolidated subsidiary	Capital relationships	The Company owns 26.00% and has an indirect holding (*1) of 12.70% of the outstanding shares of the subsidiary.	
	Personal relationships	Directors and employees of the Company also hold positions as four directors (including the representative director) and six employees of the subsidiary.	
	Transactional relationships	The Company has transactions for software development work, etc. with the subsidiary in the fiscal year ending December 31, 2016.	
(9) The consolidated subsidiary's operating results and financial position for the most recent three years (thousand yen)			
Fiscal year ended:	September 30, 2014	September 30, 2015	September 30, 2016
Net assets	3,158,191	3,074,351	3,265,204
Total assets	3,528,099	3,354,320	3,566,713
Net assets per share	¥414.61	¥411.93	¥423.50
Net sales	1,504,194	1,888,760	1,703,261
Operating income	327,318	169,263	234,750
Ordinary income	292,241	172,136	236,232
Net income	183,030	115,524	152,088
Net income per share	¥27.07	¥15.43	¥19.89
Dividend per share	-	-	-

*1 The Company has adopted IFRS, and the Company's ownership ratio of the shares of Minnano Wedding Co., Ltd. is 26.00%. However, considering the fact that the ownership ratio is 38.71% when the shares held by the de facto proxy (Mr. Akita) (the "indirect holding") are included as indirectly held shares, and considering the fact that a majority of the directors of Minnano Wedding Co., Ltd. are officers and employees of the Company, the Company determined that it has control over Minnano Wedding Co., Ltd. and included it in the scope of consolidation as a subsidiary.

3. Status of Shareholdings before and after the Change (IFRS)

(1) Number of shares owned before the change	2,047,000 shares (Indirect holding: 1,000,000 shares) (Number of voting rights: 20,470)(Indirect holding: 10,000) (Voting right ownership percentage: 26.00%)(Indirect holding: 12.70%)
(2) Number of shares to be transferred	- shares (Number of voting rights: -)
(3) Transfer price	-
(4) Number of shares to be owned after the change	2,047,000 shares (Indirect holding: 0 shares) (Number of voting rights: 20,470)(Indirect holding: 0) (Voting right ownership percentage: 26.00%)(Indirect holding: -%)

4. Schedule

(1) Board of Directors resolution	December 22, 2016
(2) Cancellation of agreement between shareholders	December 22, 2016

5. Details of Loss and Future Outlook

As a result of cancellation of the agreement between shareholders, the Company's ratio of voting rights in Minnano Wedding Co., Ltd., including the indirect holding, will decrease from 38.71% to 26.00%, and the Company will be deemed to have lost control. Consequently, the status of Minnano Wedding Co., Ltd. will change from a consolidated subsidiary of the Company to an equity-method affiliate. Accordingly, the Company expects to record a loss of 1,277 million yen on remeasurement

upon application of the equity method as a financial expense in the consolidated financial results for the fiscal year ending December 31, 2016 (IFRS). The Company is currently assessing the amount of loss and will promptly make an announcement if disclosure is considered necessary as a result of the assessment.

The change will not affect the non-consolidated financial results for the fiscal year ending December 31, 2016 (Japanese GAAP).

(Reference) Status of Shareholdings before and after the Change (Japanese GAAP)

Under Japanese GAAP, Minnano Wedding Co., Ltd. was deemed a specified subsidiary of the Company. Since the ownership ratio of voting rights in the specified subsidiary held by the Company and persons close to the Company has decreased to less than a majority as a result of a change in officers of a subsidiary of the Company effective December 22, 2016, Minnano Wedding Co., Ltd. is no longer deemed to be a subsidiary under the provisions of Article 8, Paragraphs 3 and 4 of the Ordinance on Financial Statements, etc. as of today.

(1) Number of shares owned before the change	2,047,000 shares (Indirect holding: 1,930,500 shares) (Number of voting rights: 20,470)(Indirect holding: 19,305) (Voting right ownership percentage: 26.00%)(Indirect holding: 24.52%)
(2) Number of shares to be transferred	- shares (Number of voting rights: -)
(3) Transfer price	-
(4) Number of shares to be owned after the change	2,047,000 shares (Indirect holding: 1,330,000 shares) (Number of voting rights: 20,470)(Indirect holding: 13,300) (Voting right ownership percentage: 26.00%)(Indirect holding: 16.90%)