



FY2017 1H Summary

Cookpad Inc.



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1. Business Overview

1st Half of the Year: Highlights

(M: in millions of JPY)

Financials

Revenue and Expenses declined from prior year due to divestures of the businesses conducted in 2016.

Beside impact from the divestiture, people related cost increased along with growth of the global organization.

Financial income increased by gain on sales of securities. Q2 Year-to-Date Profit become 4,073M JPY, +8.0% growth from prior year.

Premium Service

Major search engine updated Algorithm that lead to less traffic to our service.

Change in Trade Term with a business partner caused lower Revenue-Sharing Sales.

- Premium Membership: 3,467M JPY, +7.9% growth from prior year.
- Revenue-Sharing: 1,080 M JPY, +9.8% growth from prior year.

Premium Service users dropped by 20,000 from previous quarter.

Advertising Revenue

We reduced Ad-inventory for display-ad and revisited network-ad to prioritize improvement of our service to our users.

- Total Advertising Revenue: 2,193M JPY, declined by 12.7% from prior year.
- Network-Ads Revenue: 867M JPY, declined by 15.2% from prior year.

1 . Business Overview

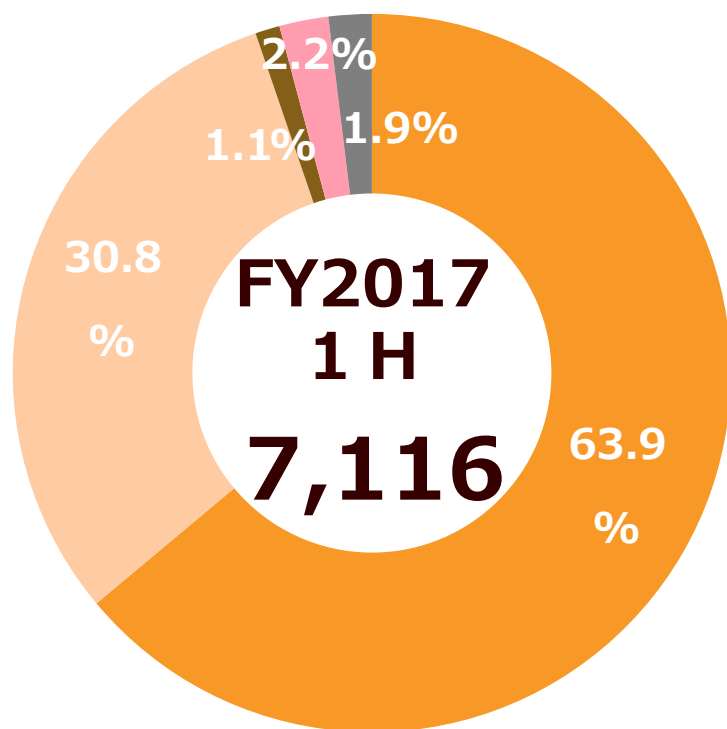
Operation Results

(in millions of JPY)

	FY2017 1H	FY2016 1H	vs PY	Causes
Sales revenue (Continuing operations)	7,116	8,211	-13.3%	Revenue declined by divesture of MINNANO WEDDING and decrease of Advertising Revenue.
Operating income (Continuing operations)	3,702	4,101	-9.7%	Operating income decreased by people cost investment, partially offset by decrease in both revenue and expense driven by divesture of the businesses.
Operating income margin (Continuing operations)	52.0%	50.0%	+2.0pt	Profitability improved by divesture of the businesses.
Profit before tax (Continuing operations)	4,073	3,770	+ 8.0%	Financial income increased by gain on sales of securities. Prior year had loss from securities revaluation.
Profit attributable to shareholders of CookpadInc. (All business operations	2,508	2,294	+ 9.3%	Driven by increase of operating income.

1. Business Overview

Sales revenue Mix



IT/Media

Recipe Services

(in millions of JPY)

Premium Service	4,548
"Cookpad" premium membership sales	
Advertising	2,193
Ad sales on "Cookpad" sites	
Others	78
Editorial fees for "Cookpad" related publications, etc	

Other IT/Media

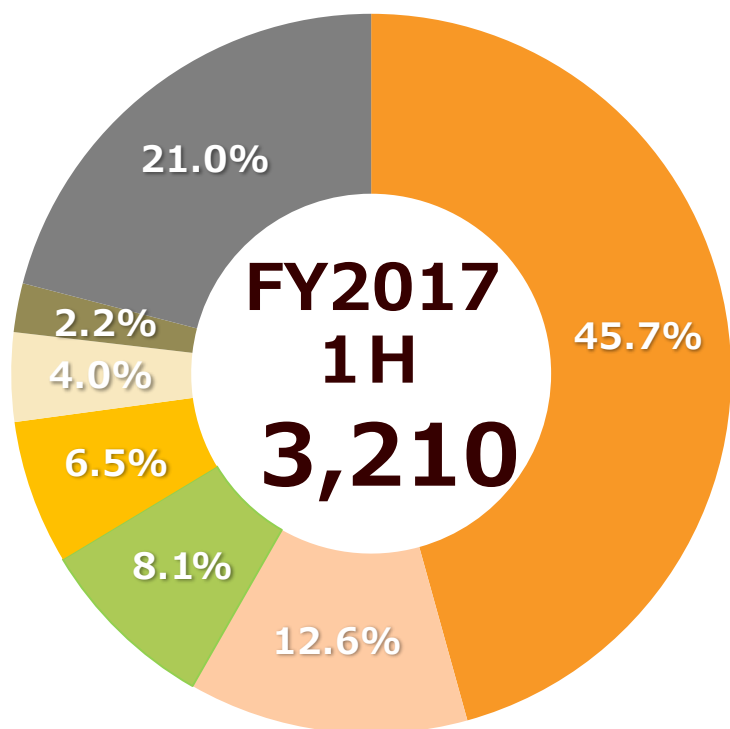
Other IT/Media	157
"Cyta", "Cookpad cooking school" sales	

Others

Others	138
Other than as described above	

1. Business Overview

SG&A Expenses Mix



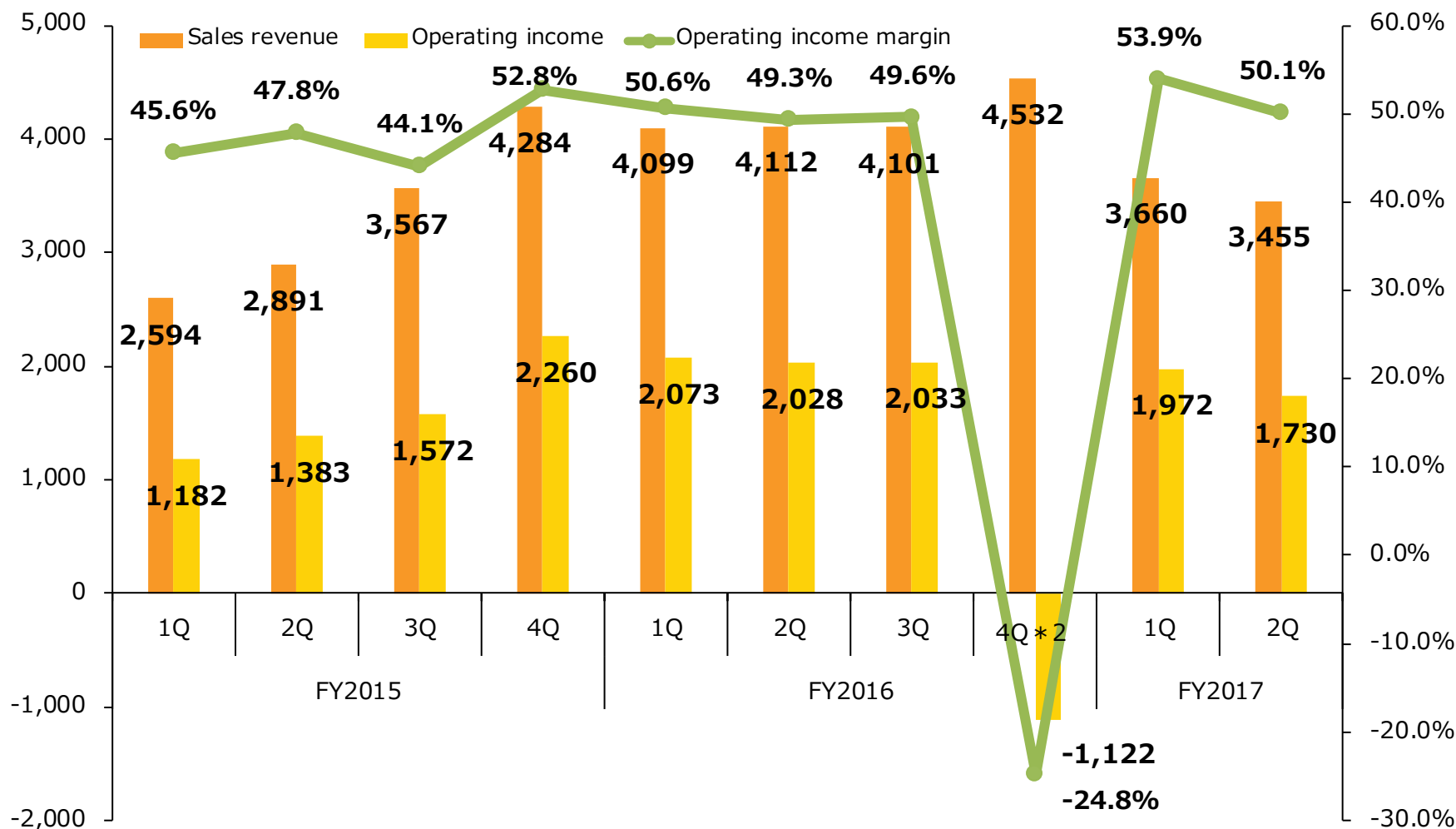
(in millions of JPY)

Personnel expenses	1,466
Salary for employees	
Sales commissions	403
To collect Premium membership fee through settlement platform	
Outsourcing expenses	260
Mainly "Cookpad" outsourcing expenses	
Cloud computing fee	208
To use cloud computing for "Cookpad" services	
Rent	128
Office rent	
Promotion fee/ Advertising	70
Promotion fee, Advertising for each service	
Others	672
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1. Business Overview

Financial Summary by Quarter

(in millions of JPY)



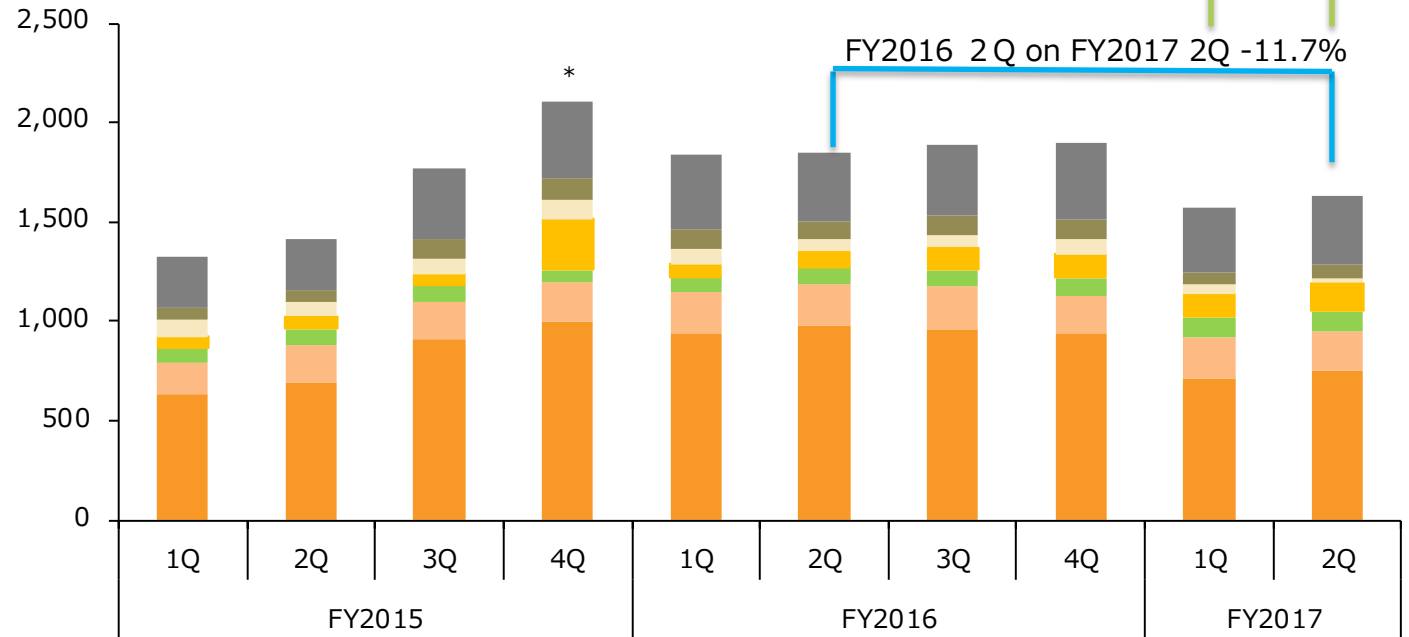
*1 Due to disposition of EC segment in 3Q 2016, Revenue and Operating income and loss from EC segment is excluded under IFRS 5.

*2 Recognized Impairment losses on goodwill by 3.5 billion JPY.

1. Business Overview

SG&A Expenses by Quarter

(in millions of JPY)



Others	256	254	353	387	377	341	353	393	330	342
Promotion fee/ Advertising	89	76	83	99	77	57	62	77	45	25
rent	57	58	99	100	94	93	100	95	60	67
Cloud computing fee	74	81	81	63	82	83	81	92	101	106
Outsourcing expenses	55	66	54	260	63	78	116	117	118	141
Sales commisions	164	182	188	195	202	214	214	186	204	199
Personnel expenses	630	698	914	999	942	978	963	941	717	748
Total	1,327	1,418	1,774	2,107	1,840	1,848	1,891	1,905	1,578	1,632

Consolidated employees as end of quarter	291	365	487	519	499	523	516	321	333	354
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* 200M JPY incurred for management change in English recipe site "ALLTHECOOKS".

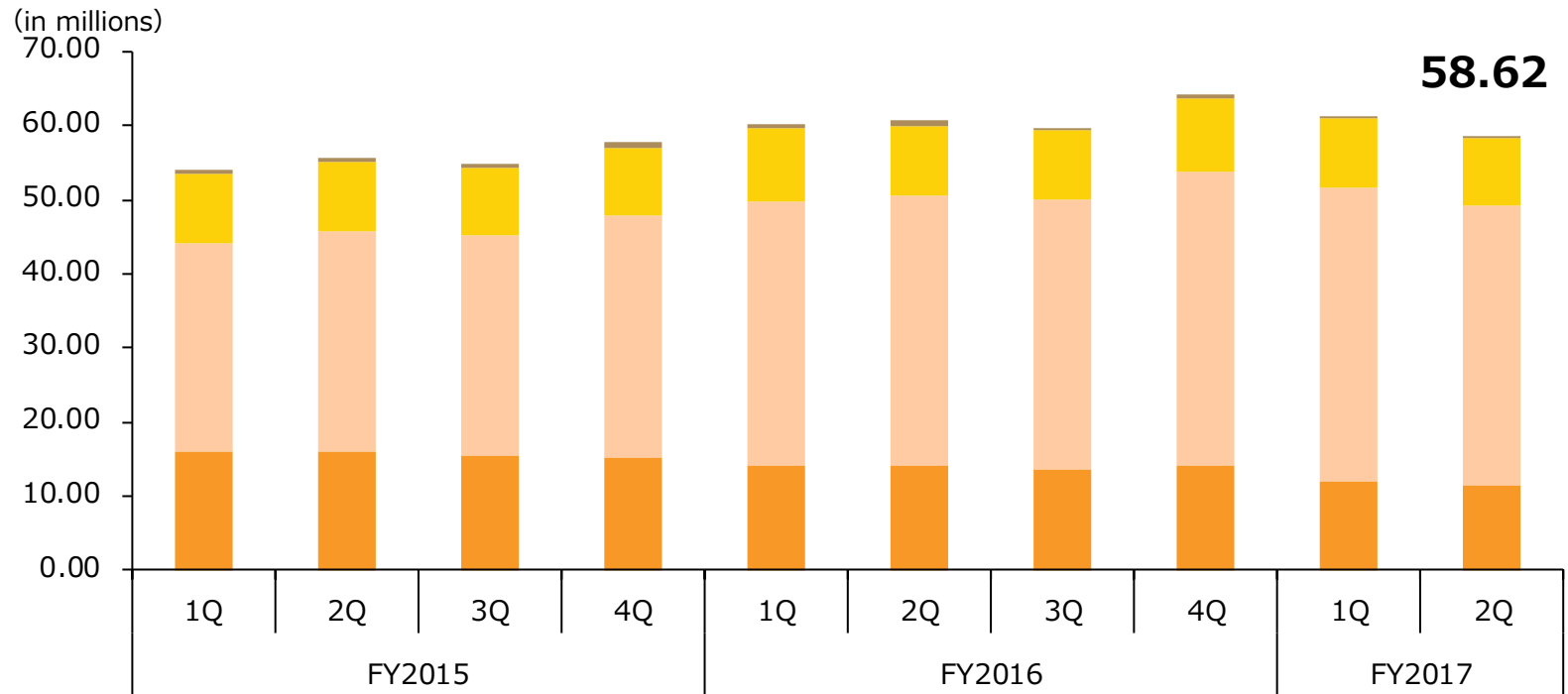
1. Business Overview

Cash Flows

				(in millions of JPY)
	FY2017 1H	FY2016 1H	Change vs PY	FY2016 Full year
Cash flows from operating activities	1,699	2,526	-826	5,248
Cash flows from investing activities	1,759	-14	1,773	-693
Cash flows from financing activities	-1,091	-1,129	37	-1,167
Cash and cash equivalents at end of period	18,869	14,084	4,785	16,543

2. Web/APP Usage

“Cookpad” monthly average users by quarter in Japan*

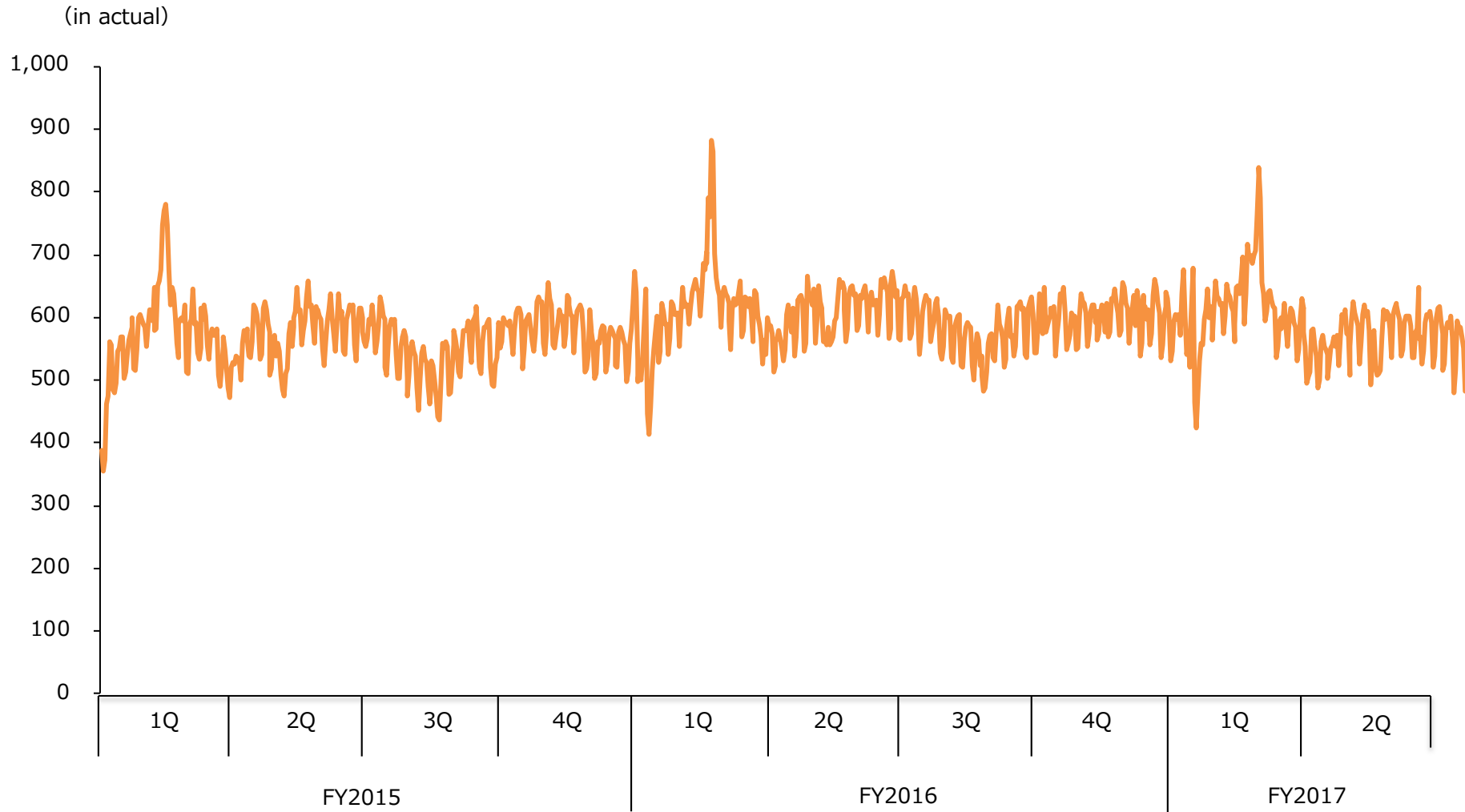


Features Phone	0.75	0.70	0.62	0.63	0.75	0.66	0.47	0.49	0.31	0.23
Apps	9.14	9.21	9.18	9.31	9.69	9.49	9.19	9.86	9.40	9.01
Smartphone Browsers	28.39	29.91	29.65	32.68	35.77	36.40	36.59	39.71	39.67	37.91
PC	15.88	15.97	15.46	15.13	14.13	14.14	13.53	14.08	11.94	11.46
Total	54.17	55.81	54.93	57.75	60.36	60.70	59.81	64.16	61.34	58.62

* The number of domestic users is calculated by monthly average for each quarter visitor counted by every access from one of the devices or browsers above.

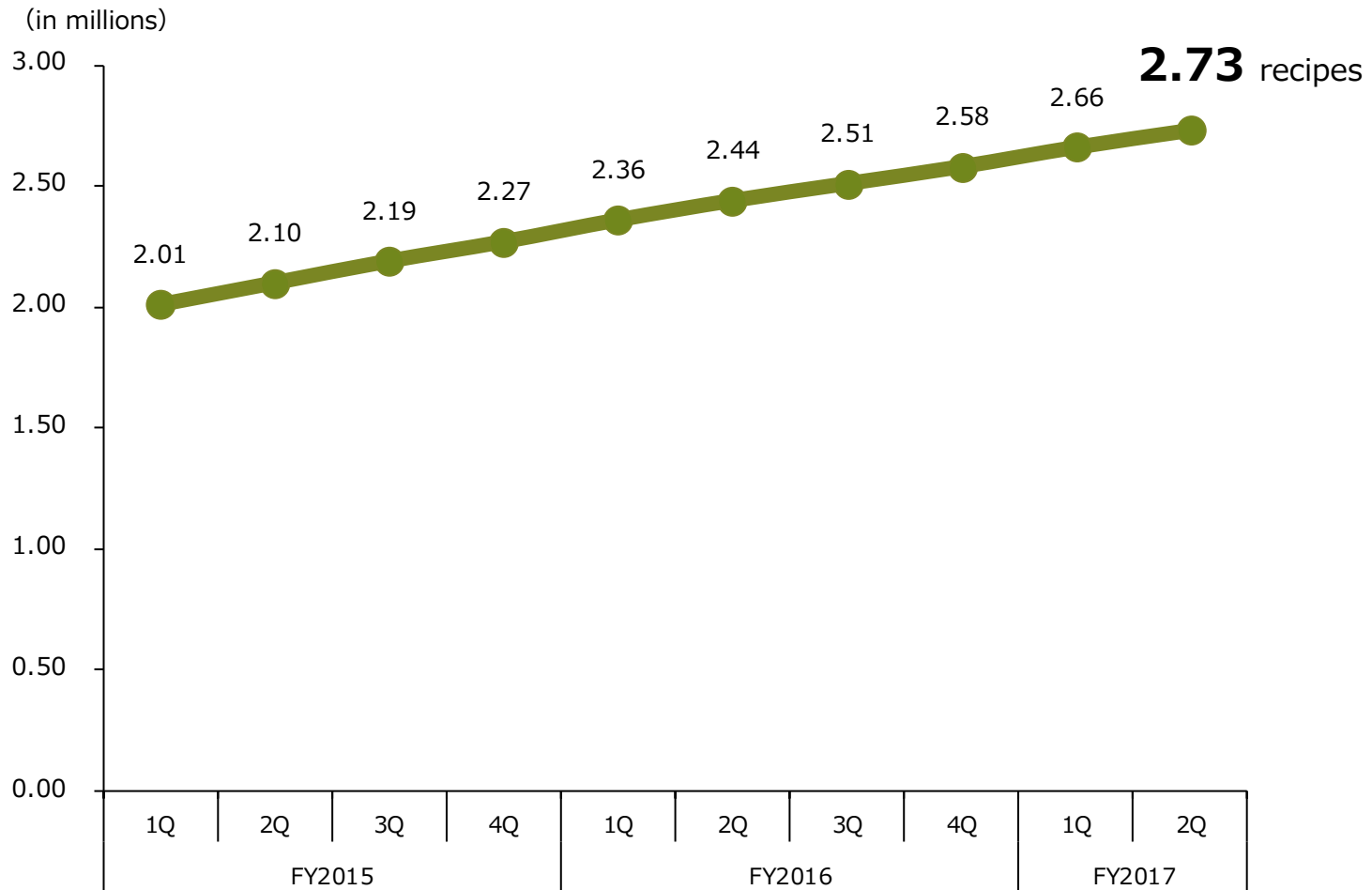
2. Web / APP Usage

“Cookpad” daily user trend in Japan.



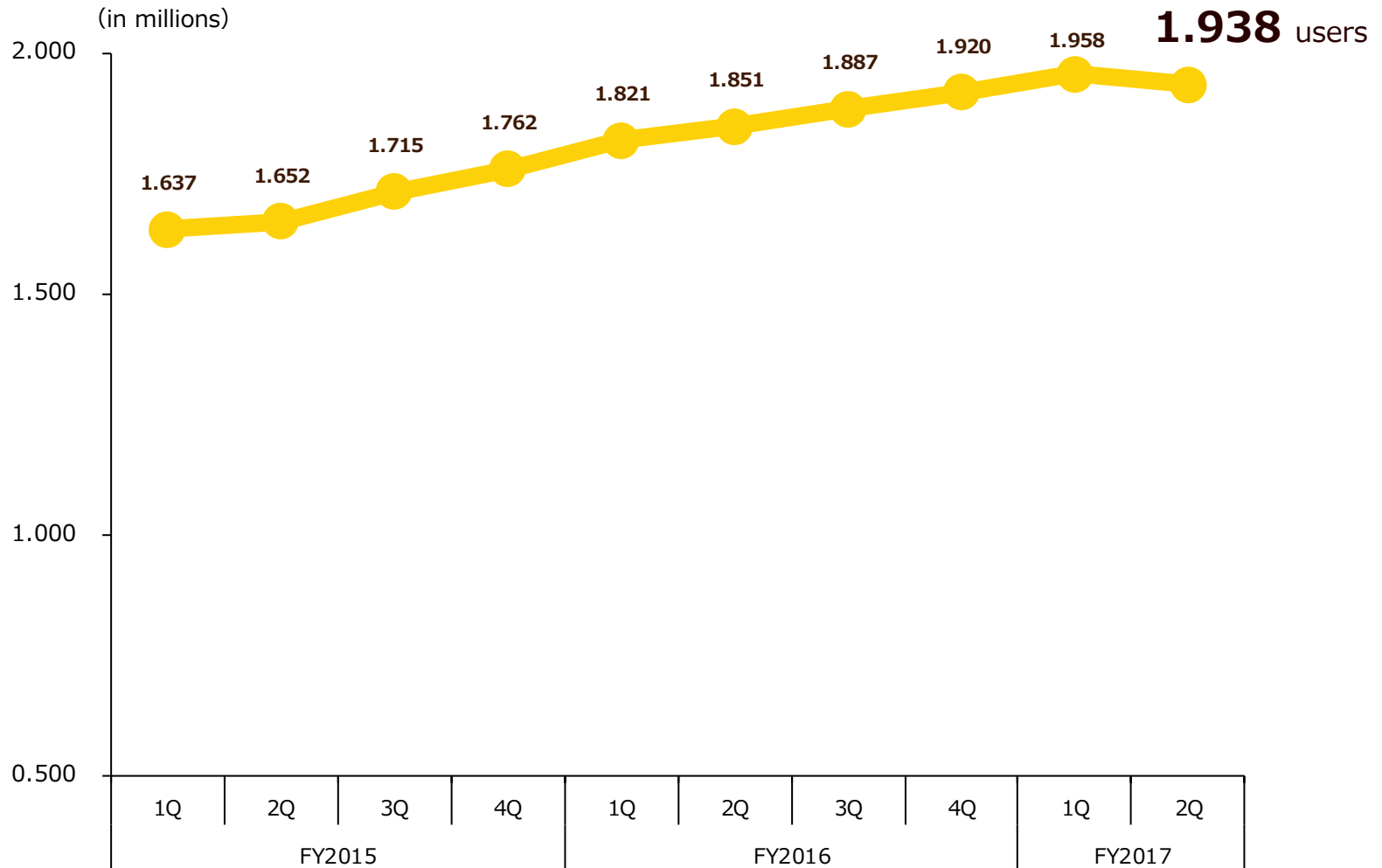
2. Web / APP Usage

“Cookpad” cooking recipes in Japan



3. Premium Service

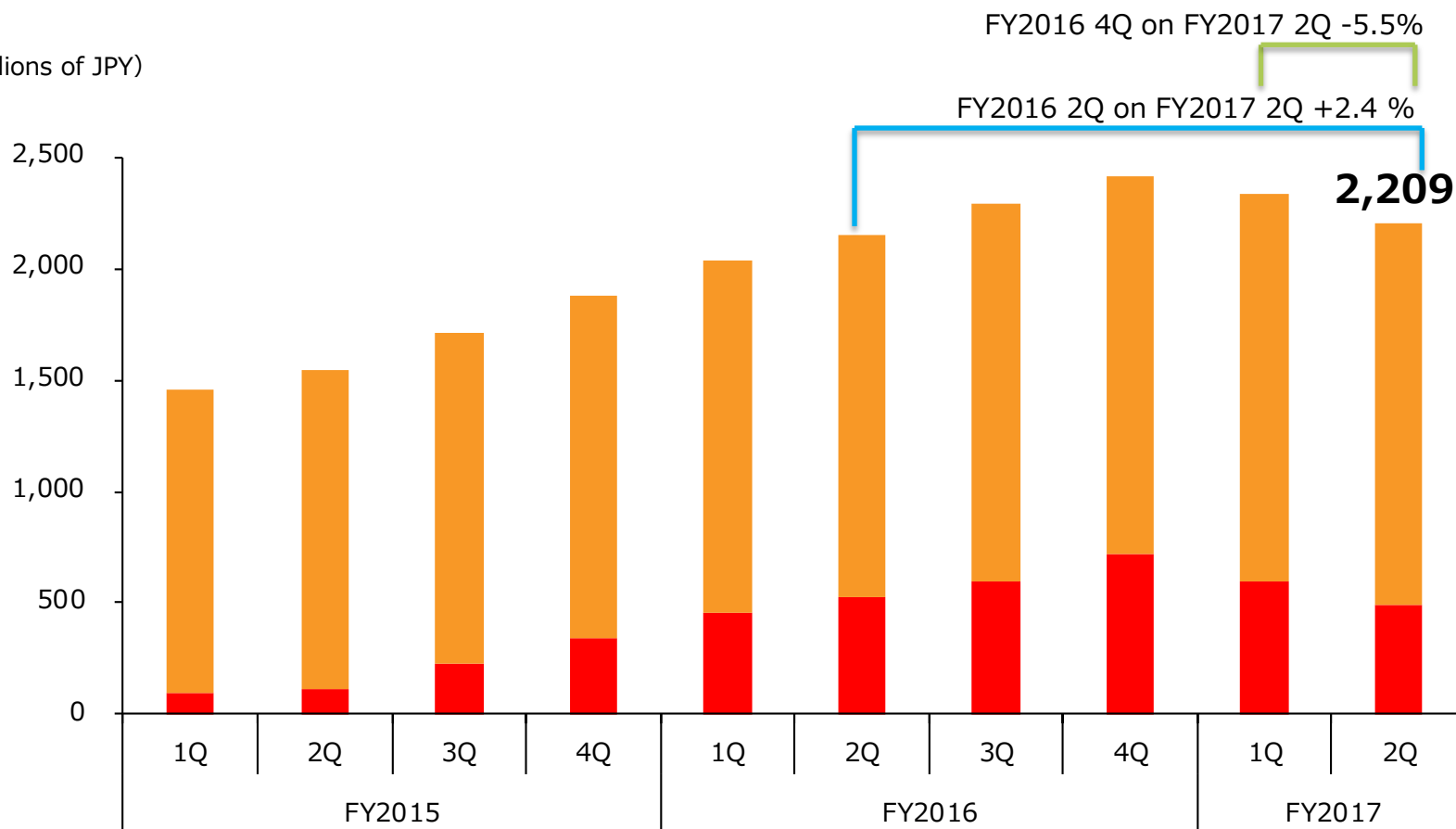
“Cookpad” premium service users in Japan



3 . Premium Service

Premium Service Revenue by quarter

(in millions of JPY)

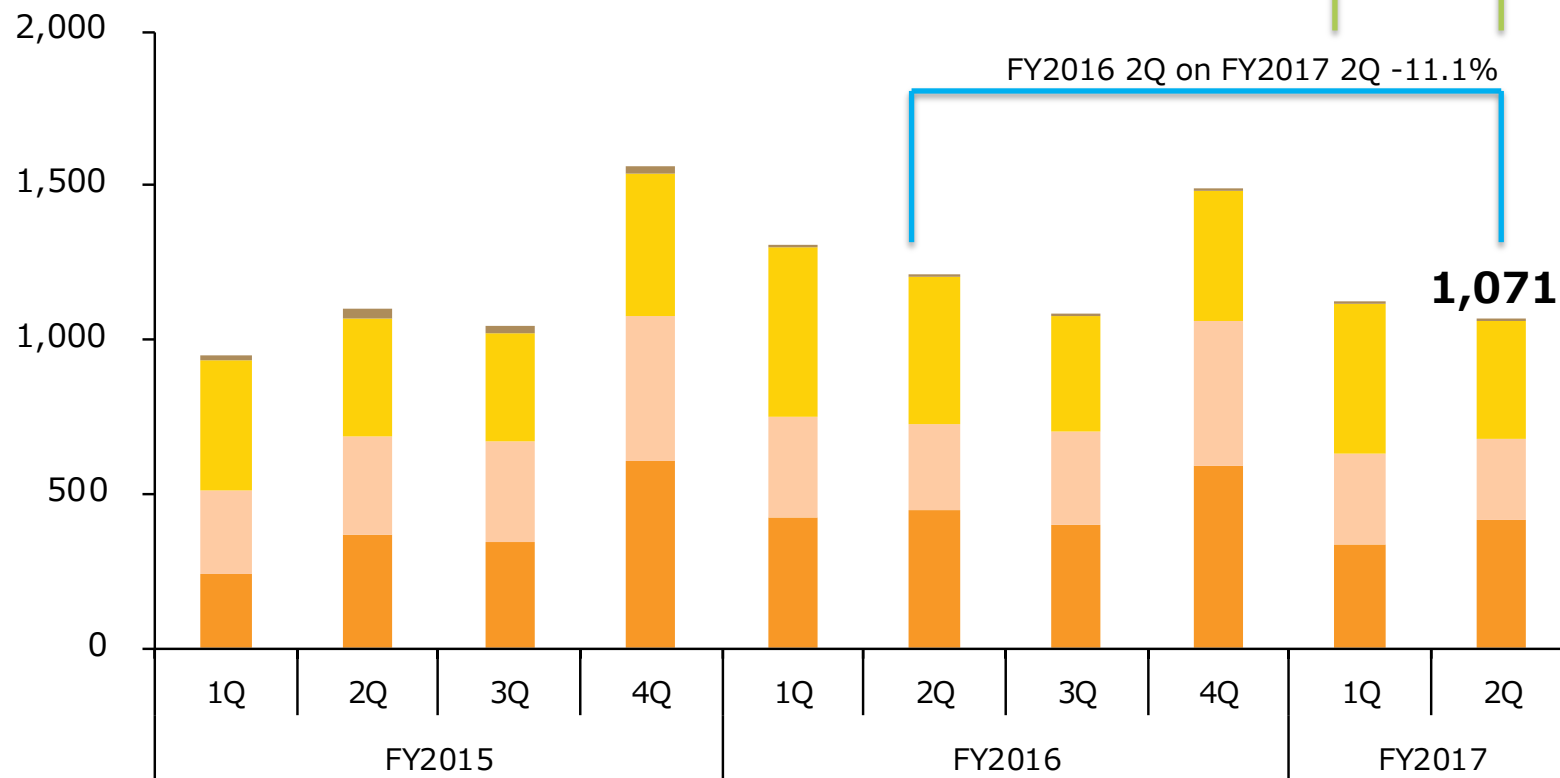


● Premium membership sales	1,360	1,435	1,487	1,540	1,585	1,627	1,693	1,694	1,746	1,720
● Revenue sharing sales	99	112	230	342	454	529	598	719	592	488
Total	1,459	1,547	1,717	1,882	2,038	2,156	2,292	2,413	2,339	2,209

4. Advertising Revenue

Advertising Revenue by quarter

(in millions of JPY)

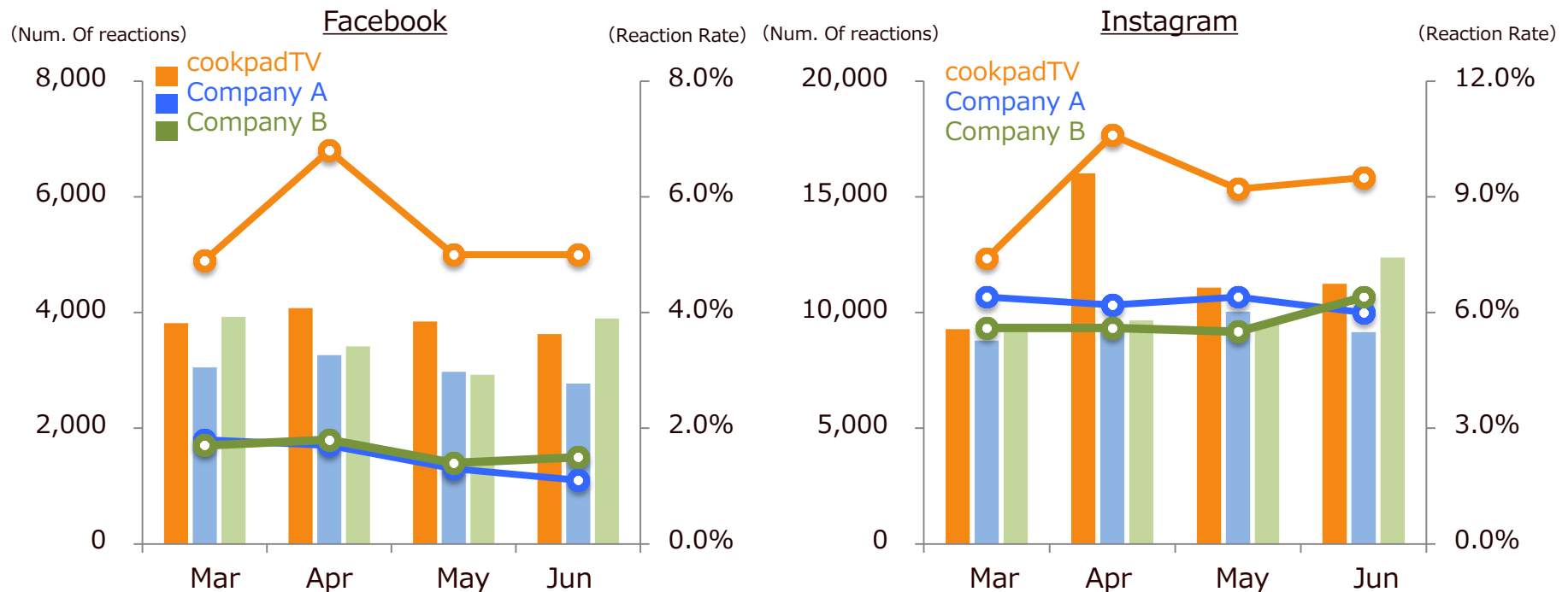


Others	13	30	22	22	7	0.7	4	5	5	6
Network ads	429	385	355	465	545	477	378	425	484	382
Display ads	264	318	323	468	330	282	301	470	297	263
Tie-up ads	243	366	347	609	423	445	401	588	334	419
Total	950	1,100	1,048	1,565	1,306	1,206	1,085	1,490	1,121	1,071

5. Cookpad TV

- ✓ Quality focused cooking video **"cookpad TV"** on SNS is experiencing high reaction(like) rate from visitors. SNS Followers reached to one million.
- ✓ Tie-up Advertisement in the video which we have started promotion from April is well accepted by Food and Drinking clients by leveraging high reaction rate.

Ave. Number of Reactions / Reaction Rate per Cooking Video



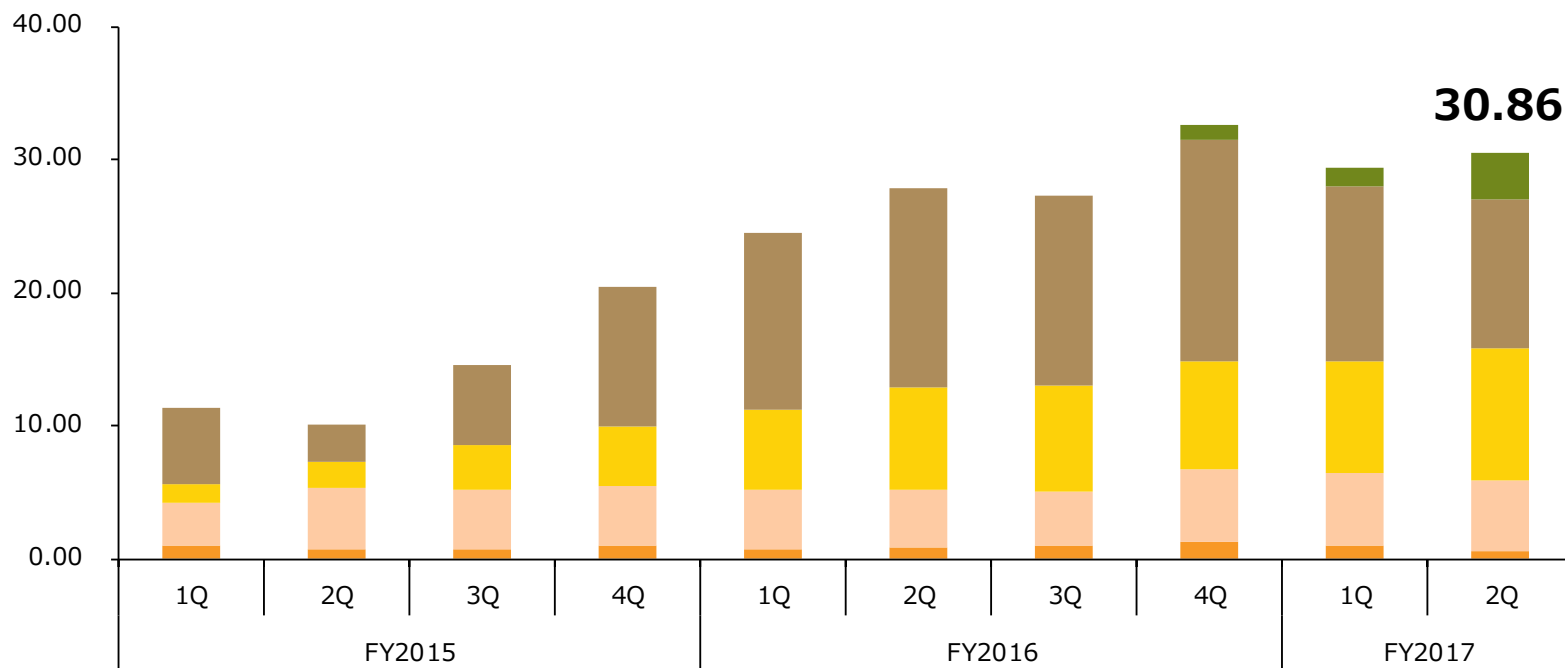
*Source: Facebook, Instagram

*Average excluding Cross Post in Facebook

6. Cookpad in Global

“Cookpad” monthly average users in Global by quarter*₁

(in millions)



Others *2	-	-	-	-	-	-	-	1.08	1.36	3.75
Spanish	5.63	2.91	5.99	10.55	13.40	15.00	14.38	16.67	13.15	11.24
Bahasa Indonesian	1.42	1.91	3.35	4.40	5.94	7.70	7.87	8.07	8.45	9.93
Arabic	3.30	4.64	4.58	4.54	4.53	4.37	4.12	5.48	5.39	5.32
English	0.97	0.70	0.68	1.00	0.72	0.86	1.00	1.27	1.01	0.60
Total	11.33	10.18	14.61	20.50	24.59	27.95	27.39	32.60	29.38	30.86

*1 Measured by Google Analytics.

*2 Users in Taiwan, Hungary Vietnam, Thailand, etc.

Make everyday cooking fun!



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