

3Q of FY2019

Cookpad Inc.



Make everyday cooking fun!



Business Overview

3Q Highlights

Sales Revenue

JPY 8.69bn (-0.11bn YoY)

-Revenue of Japan recipe service (Premium Service) was JPY 5.54bn (+0.19bn YoY)

"Cookpad" Premium Service members were 1.989 millions.

-Revenue of Japan recipe service (Advertisement) was JPY 2.14bn (-0.18bn YoY)

-Other revenue was JPY 1.0bn (-0.12bn YoY)

Operating Income

JPY 0.79bn (-1.26bn YoY)

-SG&A expense was JPY 7.75bn (+1.26bn YoY)

Increase in expenses associated with strengthened recruiting activities worldwide and expenses related with overseas and new businesses

Operation Results

(in millions of JPY)

| | FY2019 | FY2018 | vs PY | Discription |
|---|--------|--------|---------|---|
| Sales revenue | 8,697 | 8,810 | -1.3% | Decrease in sales from the Revenue sharing and the Advertising business. Sales from the Premium service members increased due to increase in unit price. |
| Operating income | 793 | 2,055 | -61.4% | Increase in payroll and other expense related with recruitment in overseas and new businesses. |
| Operating income margin | 9.1% | 23.3% | -14.2pt | Decrease in sales revenue and increase in SG&A expenses. |
| Profit before tax | 740 | 2,053 | -64.0% | Mainly due to foreign exchange losses. |
| Profit attributable to shareholders of Cookpad Inc. | 493 | 698 | -29.3% | Due to allocation of losses on Non-controlling interest associated with CookpadTV and decrease in corporation tax. |

Change of sales disclosure

Changed segment name and sales classification to clarify our intention to focus on Business to make everyday cooking fun!

Before

| | | |
|----------------------|-----------------|------------------|
| Internet/Media | Recipe services | Premium services |
| | | Advertising |
| | | Other |
| Other Internet/Media | | |
| Other Businesses | | |



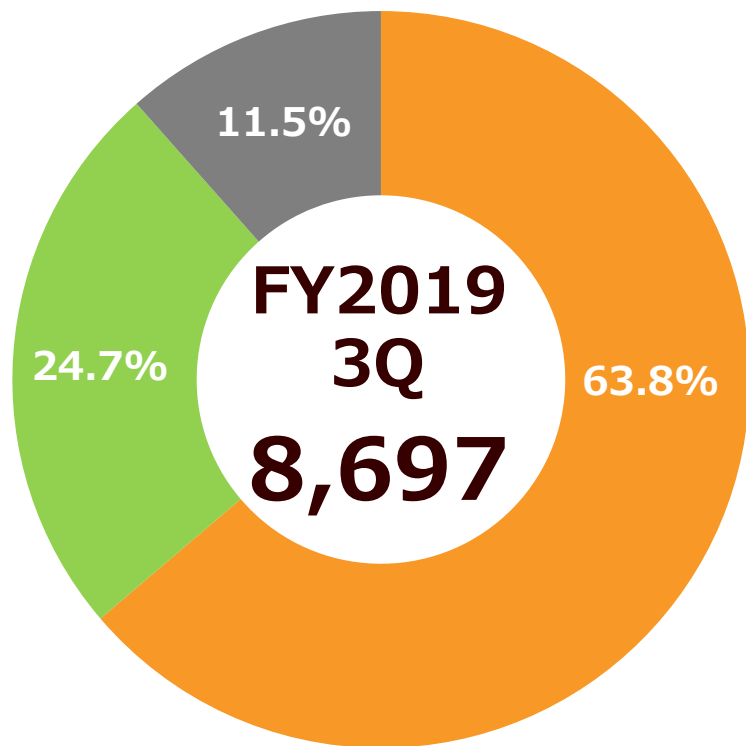
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After

| | |
|--|---|
| Japan recipe service (Premium Services) | Premium Service membership sales of recipe service in Japan |
| Japan recipe service (Advertising) | Advertising sales of recipe service in Japan |
| Other | Editorial fee sales of publications Revenue share sales of recipe service in Japan Premium membership sales and advertising sales in overseas Sales of CookpadTV , Komerco, Cookpad mart and other new |

※Written in red are reclassified items

Sales revenue Mix

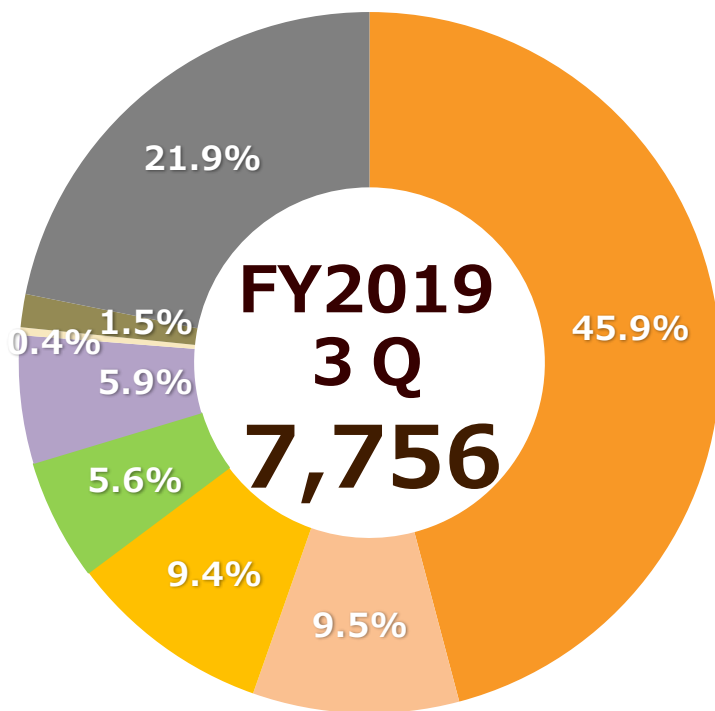


(in millions of JPY)

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| | |
|--|-------|
| Japan recipe service (Premium service) | 5,546 |
| Domestic "Cookpad" Premium Service membership sales | |
| Japan recipe service (Advertisement) | 2,148 |
| Advertisement sales on domestic "Cookpad" sites | |
| Others | 1,003 |
| Editorial fee sales of publications | |
| Revenue share sales of recipe service in Japan | |
| Premium membership sales and advertising sales in overseas | |
| Sales of CookpadTV, Komerco, Cookpad mart and other new businesses | |

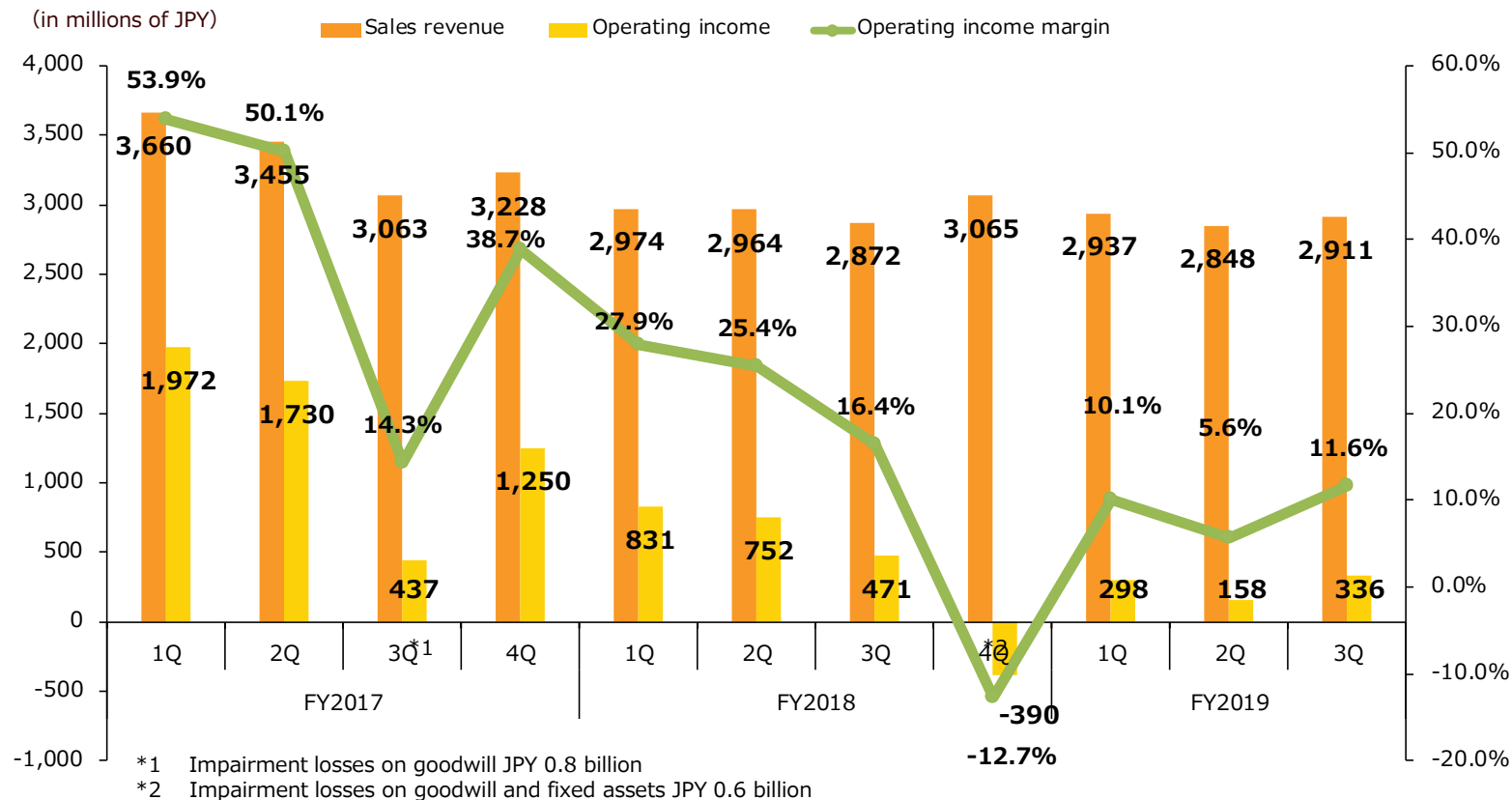
SG&A Expenses Mix



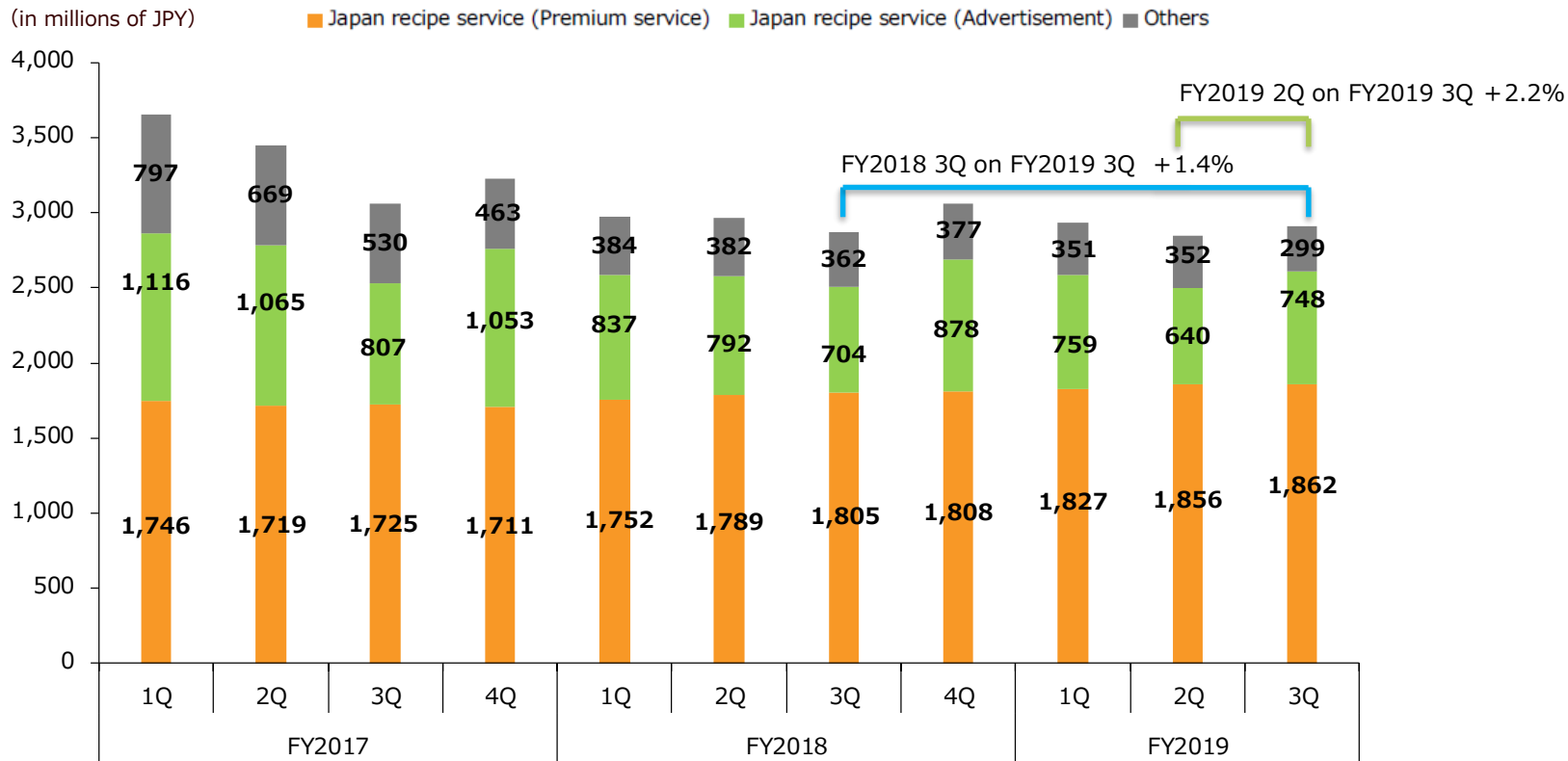
(in millions of JPY)

| | |
|---|-------|
| Personnel expenses | 3,558 |
| Salary for employees | |
| Outsourcing expenses | 737 |
| Mainly "Cookpad" and "Cookpad TV"outsourcing expenses | |
| Sales commissions | 729 |
| Commisitions to settlement platform of Premium membership | |
| Cloud computing fee | 430 |
| Fee to use cloud computing for "Cookpad" services | |
| Depreciation expense | 458 |
| Depreciation cost of fixed assets | |
| Rent | 27 |
| Rent of office and Cookpad TV studios | |
| Promotion fee/ Advertising | 118 |
| Promotion fee, Advertising for each service | |
| Others | 1,695 |
| System usage fee, Recruiting expense etc. | |

Financial Summary by Quarter



Sales revenue by Quarter

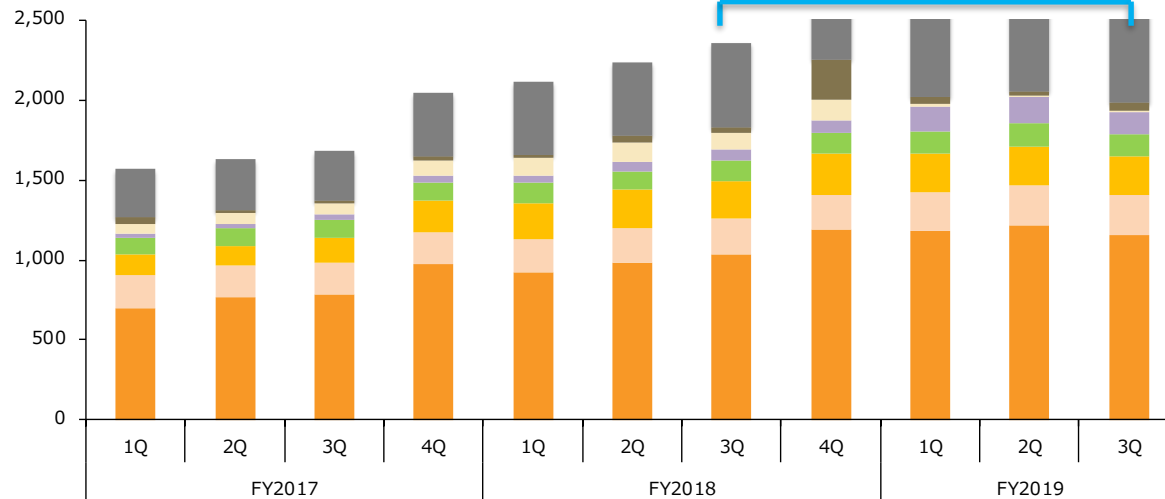


* Data of FY2017 & FY2018 are based on new sales classification

SG&A Expenses by Quarter

FY2019 2Q on FY2019 3Q -2.5%

(in millions of JPY)



| | FY2017 | | | | FY2018 | | | | FY2019 | | |
|--|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Others | 302 | 314 | 310 | 397 | 454 | 460 | 526 | 573 | 581 | 555 | 558 |
| Promotion fee/ Advertising | 45 | 25 | 21 | 30 | 14 | 40 | 33 | 251 | 42 | 24 | 51 |
| Rent | 60 | 67 | 70 | 96 | 112 | 121 | 106 | 127 | 10 | 8 | 9 |
| Depreciation expense | 27 | 28 | 33 | 40 | 51 | 58 | 70 | 79 | 160 | 239 | 137 |
| Cloud computing fee | 101 | 106 | 111 | 112 | 127 | 118 | 128 | 132 | 138 | 154 | 137 |
| Sales commissions | 134 | 125 | 152 | 205 | 220 | 235 | 237 | 255 | 245 | 239 | 244 |
| Outsourcing expenses | 204 | 199 | 202 | 196 | 207 | 216 | 222 | 219 | 237 | 247 | 252 |
| Personnel expenses | 701 | 765 | 785 | 973 | 926 | 986 | 1,036 | 1,190 | 1,184 | 1,219 | 1,154 |
| Total | 1,578 | 1,632 | 1,687 | 2,053 | 2,114 | 2,237 | 2,361 | 2,829 | 2,600 | 2,609 | 2,545 |
| Consolidated employees as end of quarter | 333 | 354 | 367 | 389 | 413 | 443 | 472 | 476 | 490 | 502 | 500 |

* Depreciation expense is shown separately from FY2019 1Q in order to explain IFRS 16 reclassification between depreciation expense and Rent

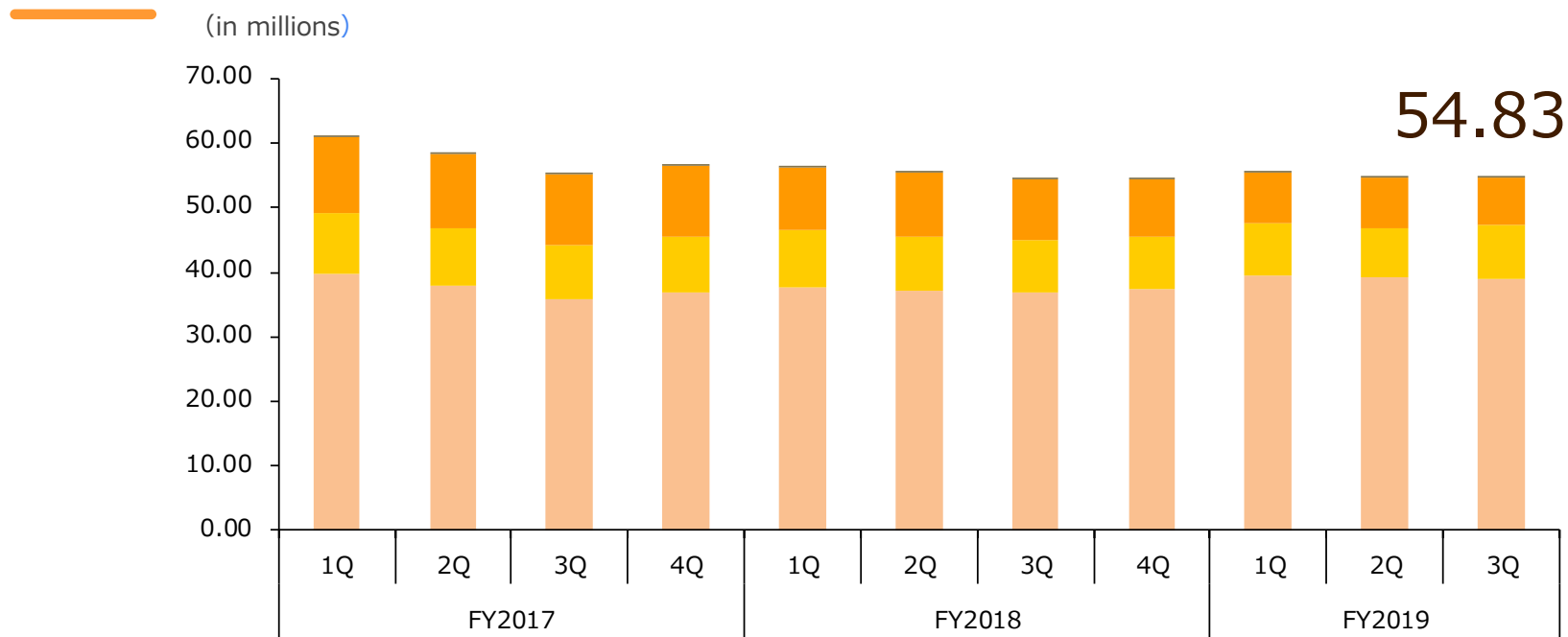
Cash Flows

(in millions of JPY)

| | FY2019 3Q累計 | FY2018 3Q累計 | Increase / Decrease | FY2018 Full year |
|---|----------------|----------------|---------------------|---------------------|
| Cash flows from operating activities | -383 | 1,062 | -1,446 | 1,136 |
| Cash flows from investing activities | -126 | -666 | 540 | -810 |
| Cash flows from financing activities | -321 | 3,129 | -3,451 | 3,129 |
| Cash and cash equivalents at end of period | 21,896 | 23,040 | -1,143 | 22,756 |

Web/APP Usage

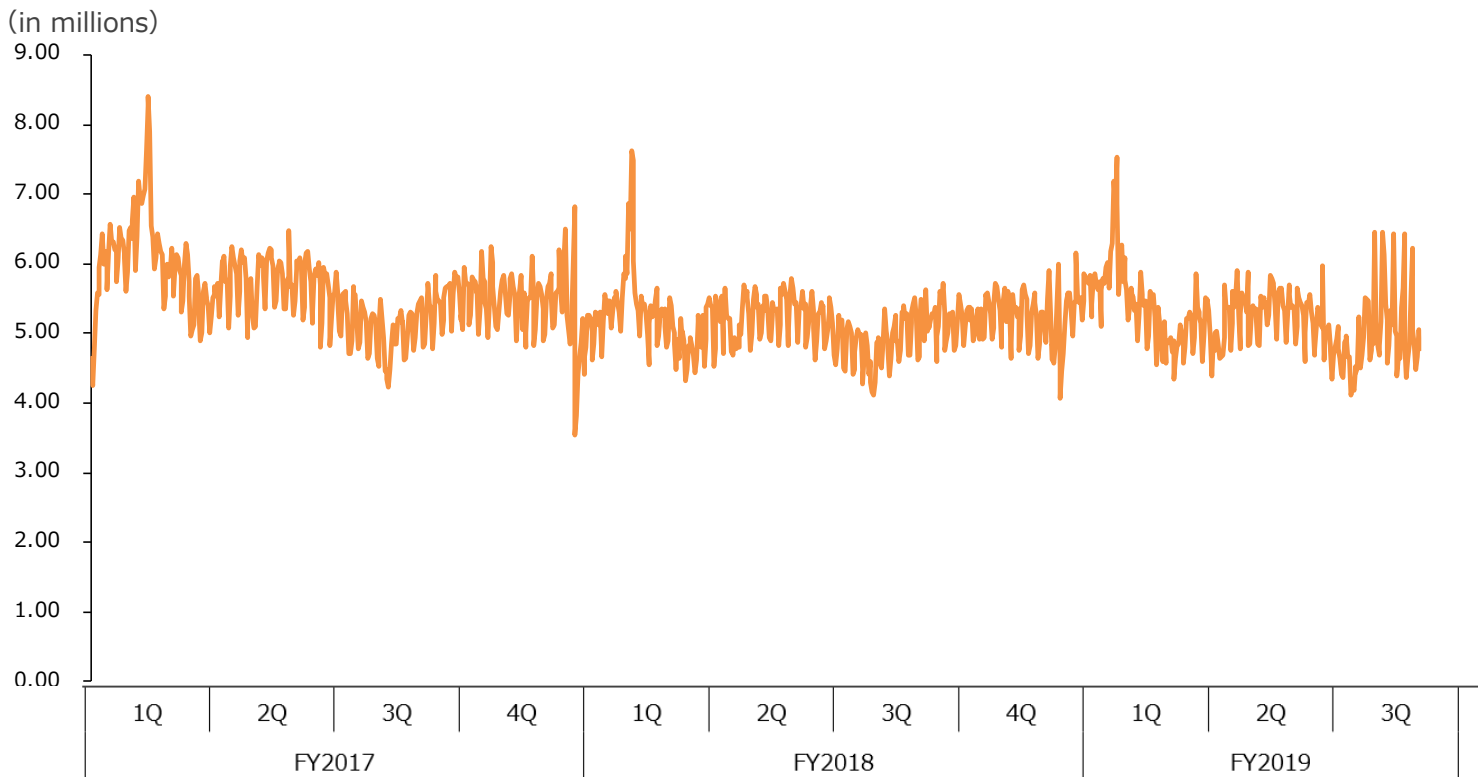
Domestic “Cookpad” monthly average users by quarter *



| | | | | | | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Features Phone | 0.31 | 0.23 | 0.20 | 0.19 | 0.17 | 0.20 | 0.11 | 0.09 | 0.09 | 0.05 | 0.03 |
| PC | 11.94 | 11.46 | 10.75 | 10.87 | 9.80 | 9.80 | 9.20 | 9.08 | 8.02 | 7.85 | 7.53 |
| Apps | 9.40 | 9.01 | 8.56 | 8.70 | 8.96 | 8.49 | 8.27 | 8.01 | 8.10 | 7.75 | 8.20 |
| Smartphone Browsers | 39.67 | 37.91 | 35.76 | 36.87 | 37.57 | 37.09 | 36.83 | 37.43 | 39.42 | 39.16 | 39.06 |
| Total | 61.34 | 58.62 | 55.28 | 56.65 | 56.53 | 55.59 | 54.42 | 54.62 | 55.64 | 54.83 | 54.83 |

* Monthly average of visitor counted by every access from one of the devices or browsers above

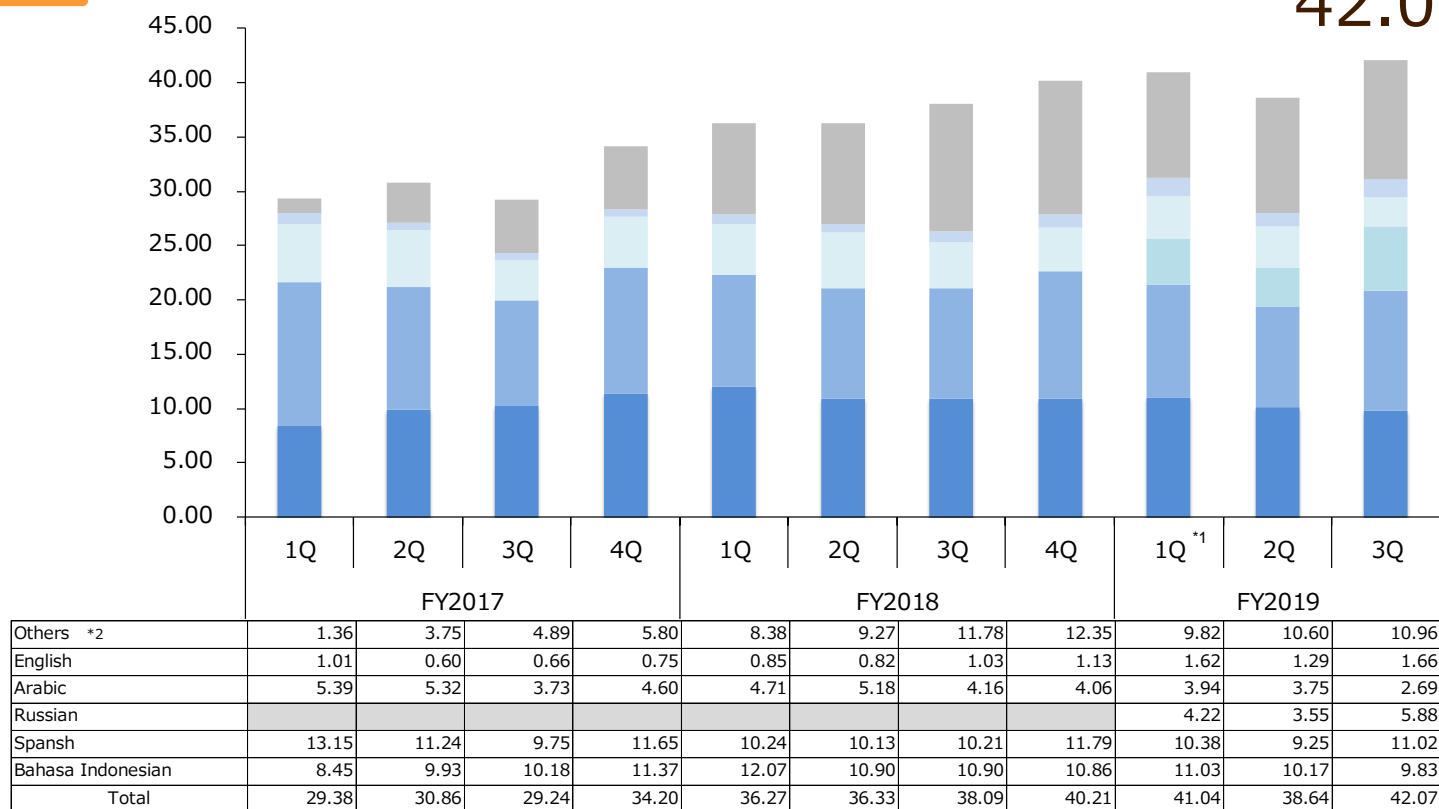
Domestic “Cookpad” daily user trend



Overseas “Cookpad” monthly average users by quarter*₁

(in millions)

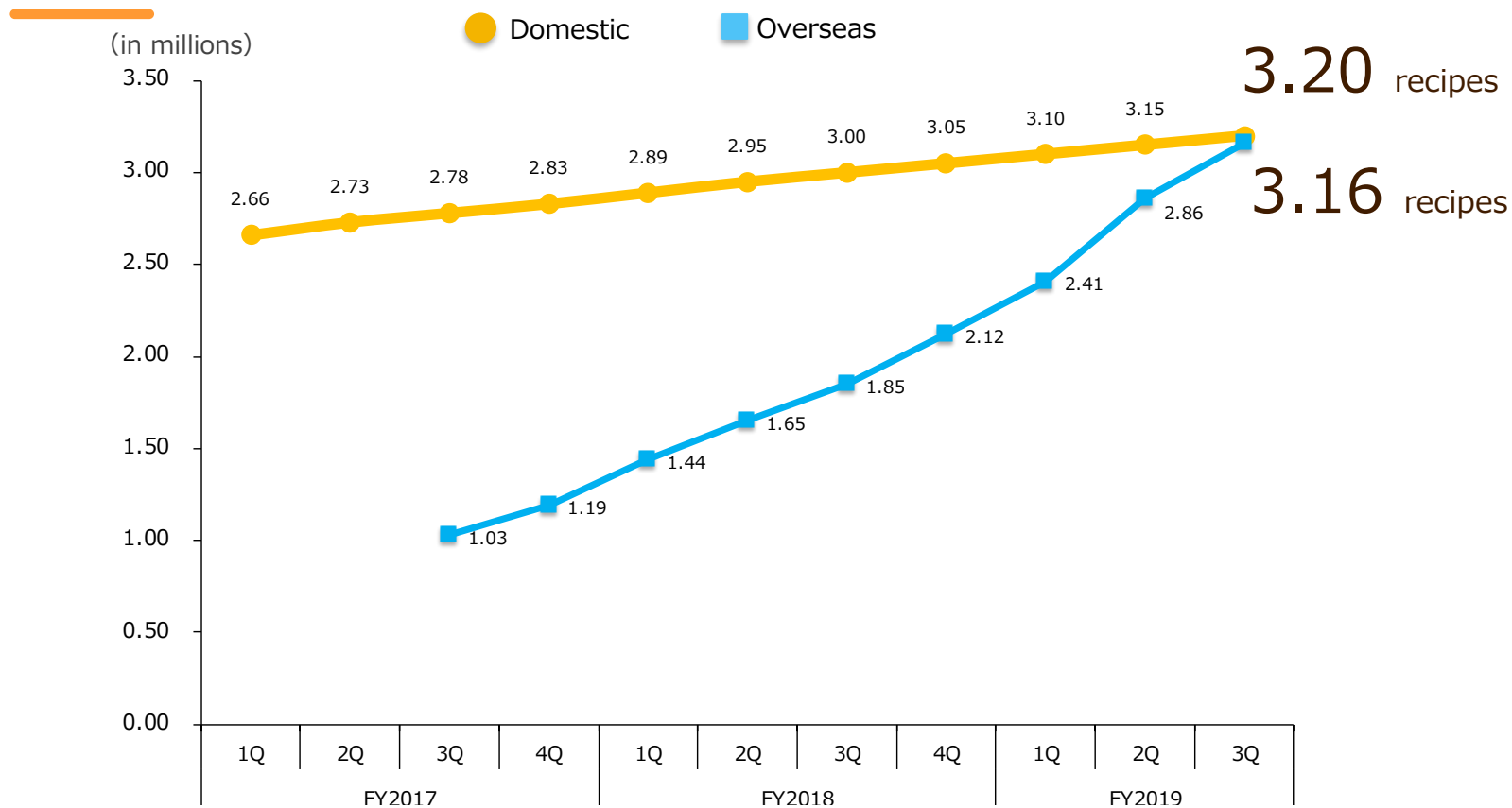
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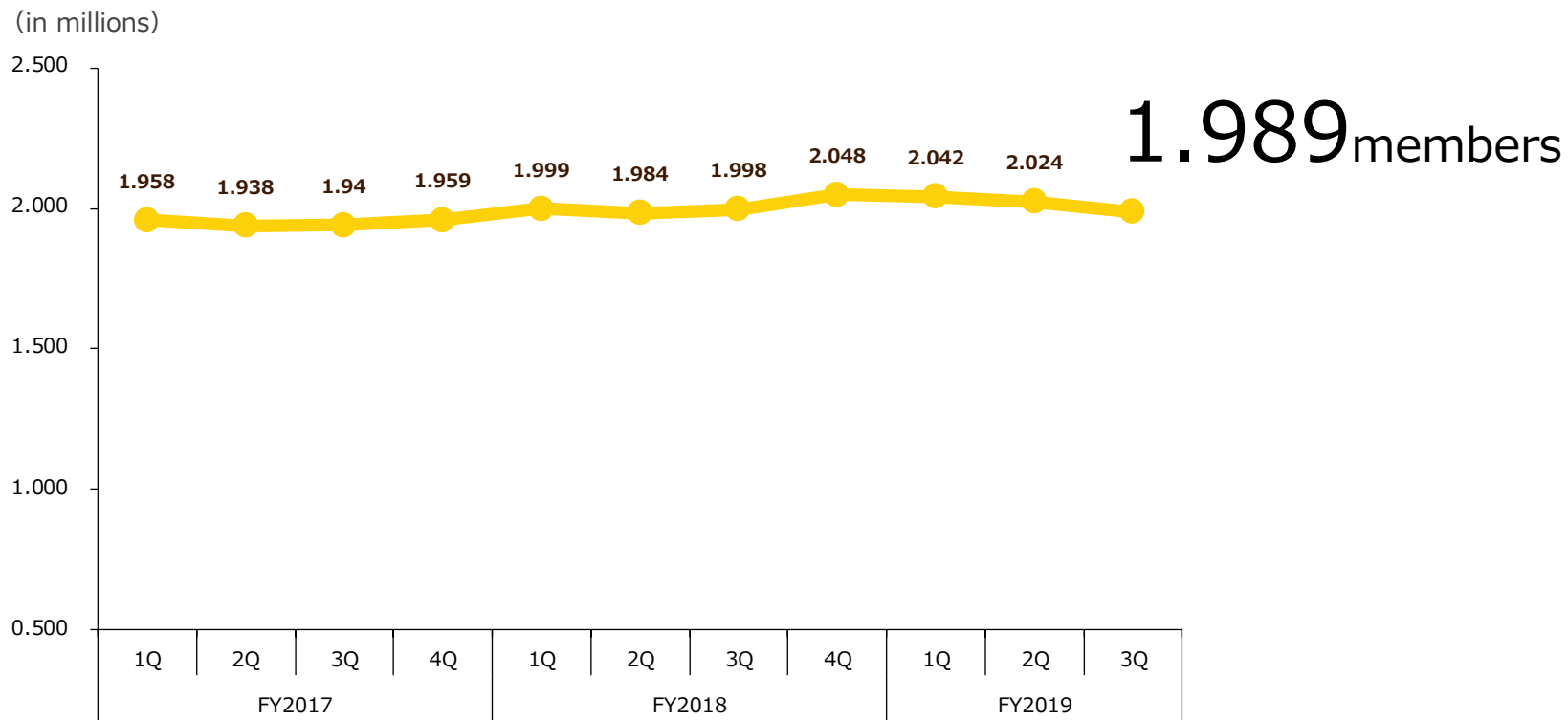
*₁ Monthly average of visitor counted by Google Analytics. The data from FY2019 is tallied based on 10% of sample data

*₂ Getting data by all the languages from FY2019 1Q. A language of over 3million MAU will be disclosed separately.

"Cookpad" cooking recipes



Domestic “Cookpad” premium service members



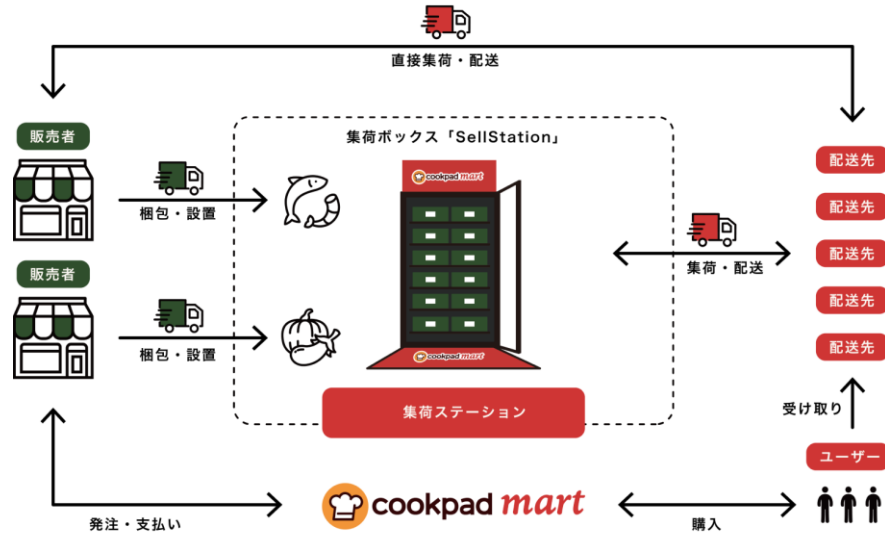
* The number of Premium Service members via iOS is tallied based on sales reports from Apple Inc.

New Business Initiatives

Shopping Business

- **SellStation setup improves efficiency of collection processes.**
Established a system that enables the participation of small-size producers

“SellStation” i.e. fresh foods delivery boxes for collection are set up in regional direct farming sales locations, producer unions, and markets, etc. This enables even small-scale sellers and producers, which with only a small number of products had struggled to get their items collected, to establish stores on Cookpad Mart with no initial fees or fixed expenses.



**市場、直売所などと連携
共同集荷サービス開始**

Since July 25, 2019, the Kawasaki City Central Wholesale Market (North Market) and the Muko-gaoka Agricultural Produce Distribution Union have been engaged in a trial of the system. The service was officially launched on September 17, 2019, following the adoption of the system by the Yokohama City Central Wholesale Market.

Shopping Business



- Launching a service aimed at housing complexes. Enables fresh foods to be received using the communal areas of condominiums. Enhances convenience of shopping for residents.

The first location to be rolled out, on Thursday, October 24, 2019, will be that used for the residents of Mitsui Fudosan Residential Co., Ltd.'s *Park Homes Toyosu The Residence* condominium, a property whose 693 units have already been sold.



This presentation contains certain comments that may be characterized as forward-looking statements. These statements are based on information currently available to management and its beliefs and assumptions regarding future business and financial performance. A number of factors such as changes in business environment may cause actual results to differ materially from any future results or performance expressed or implied by this presentation.

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