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## Cookpad Inc.

### Consolidated Earnings Results for the Three Months ended 31 March 2023 [IFRS]

12 May 2023

Stock listed in: Tokyo Stock Exchange  
 Securities code: 2193 URL <https://info.cookpad.com/>  
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 Scheduled dates  
 Filing of the quarterly securities report: 15 May 2023  
 Dividend payout: N/A  
 Supplementary materials for earnings results: To be provided  
 Earnings results briefing: Not to be held

(Million JPY, rounded down to the nearest million JPY)

#### 1. Consolidated Financial Results for the Three Months ended 31 March 2023 (1 Jan. 2023 through 31 Mar. 2023)

##### (1) Operational Results

(% represents year-on-year changes)

	Sales		Operating income		Profit before tax		Net profit		Profit attributable to shareholders of Cookpad Inc.		Total comprehensive income	
	mm yen	%	mm yen	%	mm yen	%	mm yen	%	mm yen	%	mm yen	%
For three months ended 31 Mar. 2023	2,189	(4.7)	(1,711)	-	(1,627)	-	(1,632)	-	(1,632)	-	(1,430)	-
31 Mar. 2022	2,297	(12.5)	(619)	-	(580)	-	(593)	-	(540)	-	(361)	-

	EPS (Basic)	EPS (Diluted)
For three months ended	yen	yen
31 Mar. 2023	(15.73)	-
31 Mar. 2022	(5.18)	-

##### (2) Financial Position

	Total assets	Total equity	Total equity attributable to shareholders of Cookpad Inc.	Ratio of total equity attributable to shareholders of Cookpad Inc. to total assets
As of 31 Mar. 2023	mm yen 18,717	mm yen 13,614	mm yen 13,614	% 72.7
As of 31 Dec. 2022	20,154	17,752	17,752	88.1

#### 2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
Fiscal year ended/ending	yen	yen	yen	yen	yen
31 Dec. 2022	-	0.00	-	0.00	0.00
31 Dec. 2023	-	-	-	-	-
31 Dec. 2023 (Forecast)	-	0.00	-	0.00	0.00

(Note) Made revisions to most recently announced dividend forecast: No

#### 3. Full Year Forecast of Consolidated Earnings (1 January 2023 through 31 December 2023)

To deliver on its mission to “Make everyday cooking fun!” the Cookpad Group (the “Group”) strives to pursue investment opportunities to provide cooking-related services to people worldwide. As Cookpad Inc. (the “Company”) assumes the need to provide estimates on business results flexibly taking into account the changes in the situation surrounding its businesses, the specific forecast of consolidated earnings for the fiscal year ending 31 December 2023 is omitted for the difficulty of making reasonable estimates.

**\*Notes**

(1) Made changes in significant subsidiaries during the period: No  
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

(2) Changes in accounting policies and changes in accounting estimates

1) Made changes required for the adoption of IFRS: Yes

2) Made changes other than 1): No

3) Made changes in accounting estimates: No

(3) Number of shares issued (ordinary shares)

1) Number of shares issued (including treasury shares)	As of 31 Mar. 2023	107,429,400	As of 31 Dec. 2022	107,429,400
2) Number of treasury shares	As of 31 Mar. 2023	13,961,961	As of 31 Dec. 2022	3,219,061
3) Number of average shares during the period	As of 31 Mar. 2023	103,732,877	As of 31 Mar. 2022	104,210,339

\* This report is exempt from the quarterly review by certified public accountants or auditing firms.

\* Appropriate use of earnings forecasts and other special notes

The earnings forecast for the fiscal year ending 31 December 2023 is omitted for the reasons stated in the summary information "3. Full Year Forecast of Consolidated Earnings (1 January 2023 through 31 December 2023)."

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## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

The consolidated results for the three months ended 31 March 2023 (1 January 2023 through 31 March 2023) are as follows:

	Three months ended 31 March 2022 (1 Jan. to 31 Mar. 2022)	Three months ended 31 March 2023 (1 Jan. to 31 Mar. 2023)	YoY change
Sales revenue	2,297	2,189	(4.7 %)
Operating loss	(619)	(1,711)	- %
Loss before tax	(580)	(1,627)	- %
Loss attributable to shareholders of the Company	(540)	(1,632)	- %

(Millions of yen)

To deliver on its mission to “Make everyday cooking fun!” the Group has been making proactive investments to solve various problems associated with cooking and to increase the number of home cooks who enjoy cooking around the world. The Company’s articles of incorporation state, “Our Company exists to ‘Make everyday cooking fun!’ and this is our mission” and “When everyone on the planet enjoys everyday cooking, our company will dissolve,” to emphasise the Group’s goal and raison d’être.

Capitalism and its prioritisation of economic growth have had a massive impact on the world: extreme poverty is declining and, in general, life expectancy is increasing. However, we have started to realise how much we are sacrificing our own personal health and the health of our planet. Our diet is contributing to ‘lifestyle’ diseases, the biggest cause of deaths around the world, while the rapid shift to virtual relationships is contributing to mental illness. From the perspective of the “health” of the earth, the food value chain is one of the largest sources of carbon dioxide emissions, contributing to global warming, escalating land and marine pollution, and threatening the world’s biodiversity.

At the very moment we need to be more conscious of these issues and change our behaviour, we are actually becoming more ignorant of them. This is because we are outsourcing cooking to processed food, delivery services and restaurants. This act of outsourcing makes us less aware of what is going on with our food and everything connected to it.

We believe that we are at the point of no return; our food system must change. We need to find and act on solutions now. What we eat has an enormous impact on our world. So, cooking can help to make ourselves, society and the planet healthier. The Company strives to make a positive impact through home cooking.

Specifically, we aim to increase the number of “creators involved in cooking” including not only home cooks but also farmers and those who create food or related products, because once you become a creator, you become more aware. Creators think, they are curious, they are engaged. In turn, they tend to make conscious, informed choices, possibly resulting in the improvement of the earth’s health, which has often been damaged by modern society placing a higher priority on efficiency and profit.

We believe that if cooking is more enjoyable, then more people will cook more often. Some people are motivated by learning new skills, some by the creativity and others by being part of the community or the conviction that they are contributing to the health of ourselves, society, and the planet. Whatever their motivation, we will help to make cooking enjoyable for everyone who wants to cook.

Of the eight billion people on our planet, many home cooks are already enjoying cooking. We will create a community where the passion and wisdom of these people helps and inspires others.

The Group continues to strive to “Make everyday cooking fun!” for the better health of people, society, and the planet as well as corporate and shareholder value maximisation.

Sales revenue for the three months ended 31 March 2023 (“Q1 FY2023”) was 2,189 million yen (down 4.7% year on year). Its decrease was primarily due to declines in the domestic cookpad.com membership sales and the domestic cookpad.com advertising sales. SG&A expenses expanded to 3,532 million yen (up 24.9% YoY) mainly owing to a labour cost increase that resulted from the provision made for the special severance payments offered for the voluntary redundancy program in Japan following a decision to discontinue some operations and the downsizing of overseas workforce to further streamline operations, as well as risen outsourcing and promotion expenses for the Cookpad Mart business. The Company posted an operating loss of 1,711 million yen (loss of 619 million yen a year earlier) after not only seeing sales revenue decrease and SG&A expenses increase but also recognising impairment losses on the goodwill for the domestic business. Loss before tax for the quarter was 1,627 million yen (loss of 580 million yen a year earlier) and loss attributable to shareholders of the Company was 1,632 million yen (loss of 540 million yen a year earlier).

The Group only has a single business segment “Make everyday cooking fun!” but provides a breakdown of sales revenue below.

(Millions of yen)			
Reportable Segment	Three months ended 31 March 2022 (1 Jan. to 31 Mar. 2022)	Three months ended 31 March 2023 (1 Jan. to 31 Mar. 2023)	YoY change
Make everyday cooking fun!	2,297	2,189	(4.7%)
Domestic cookpad.com membership sales	1,652	1,512	(8.5%)
Domestic cookpad.com advertising sales	396	316	(20.1%)
Other sales	248	360	45.4%

The domestic cookpad.com membership sales for Q1 FY2023 were 1,512 million yen (down 8.5% year on year). This drop was primarily caused by, among others, a decrease in the premium services membership by around 156,000 members from the same period a year earlier.

The domestic cookpad.com advertising sales for Q1 FY2023 fell to 316 million yen (down 20.1% YoY) owing to a decline in the display and network advertising.

Other sales for Q1 FY2023 rose to 360 million yen (up 45.4% YoY) with the sales revenue of Cookpad Mart and the overseas premium services expanded.

## (2) Analysis of Financial Position

### a) Assets, liabilities and equity

#### (Assets)

As of 31 March 2023, total assets were 18,717 million yen, down 1,436 million yen from 31 December 2022; current assets were 17,391 million yen, down 1,538 million yen, and non-current assets were 1,325 million yen, up 101 million yen.

The main factor behind the decrease of total assets was a decline in cash and cash equivalents by 1,577 million yen largely driven by increased payments for operating activities.

#### (Liabilities)

As of 31 March 2023, total liabilities were 5,102 million yen, up 2,700 million yen from 31 December 2022; current liabilities were 4,343 million yen, up 2,798 million yen, and non-current liabilities were 759 million yen, down 97 million yen.

The increase largely resulted from an expansion of trade and other payables by 2,872 million yen due to, among others, a rise in liabilities caused by the share buyback for a tender offer.

#### (Equity)

As of 31 March 2023, total equity was 13,614 million yen, down 4,137 million yen from 31 December 2022.

This decrease was mainly due to the decline of retained earnings by 1,632 million yen with the net loss posted for the quarter, and an increase in treasury shares of 2,578 million yen, while other components of equity increased by 205 million yen partly due to weak yen.

b) Cash flows

As of 31 March 2023, the balance of cash and cash equivalents (“Funds”) was 15,246 million yen, down 1,577 million yen from 31 December 2022, primarily due to the factors shown below.

(Cash flows from operating activities)

Funds used in operating activities totalled 1,281 million yen, after the Company posted a loss before tax of 1,627 million yen while recording impairment loss of 143 million yen due to goodwill impairment mainly on domestic business and trade and other payables increased by 195 million yen.

(Cash flows from investing activities)

Funds used in investing activities totalled 470 million yen as the Company recorded expenses of 452 million yen incurred by the acquisition of investment securities.

(Cash flows from financing activities)

Funds used in financing activities totalled 160 million yen, 105 million yen of which was used for the repayment of lease obligations.

**(3) Consolidated Earnings Forecasts and Other Forward-Looking Information**

To deliver on its mission to “Make everyday cooking fun!” the Group strives to pursue investment opportunities to provide cooking-related services to people worldwide. As the Company assumes the need to provide estimates on business results flexibly taking into account the changes in the situation surrounding its businesses, the specific forecast of consolidated earnings for the fiscal year ending 31 December 2023 is not disclosed for the difficulty of making reasonable estimates.

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

	As of 31 December 2022	As of 31 March 2023
Assets		
Current assets		
Cash and cash equivalents	16,824,230	15,246,868
Trade and other receivables	1,569,801	1,680,901
Other financial assets	32,184	329
Inventories	63,178	48,480
Other current assets	440,410	415,036
Total current assets	18,929,803	17,391,613
Non-current assets		
Property, plant and equipment	668,464	595,222
Goodwill	140,920	-
Intangible assets	92,012	89,617
Other financial assets	261,157	585,218
Deferred tax assets	57,004	55,221
Other non-current assets	4,997	520
Total non-current assets	1,224,555	1,325,798
Total assets	20,154,358	18,717,411

(Thousands of yen)

	As of 31 December 2022	As of 31 March 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Lease obligations	408,340	408,855
Trade and other payables	879,104	3,751,796
Other financial liabilities	130,710	117,494
Income tax payable	92,588	24,336
Other current liabilities	34,052	40,623
Total current liabilities	1,544,793	4,343,103
Non-current liabilities		
Lease obligations	729,564	636,096
Provisions	113,289	108,241
Other non-current liabilities	14,711	15,466
Total non-current liabilities	857,563	759,803
Total liabilities	2,402,357	5,102,906
Equity		
Capital stock	5,286,015	5,286,015
Capital surplus	7,146,652	7,014,416
Retained earnings	5,501,550	3,869,042
Treasury shares	(735,054)	(3,313,350)
Other components of equity	552,839	758,382
Equity attributable to shareholders of the Company	17,752,001	13,614,505
Total equity	17,752,001	13,614,505
Total equity and liabilities	20,154,358	18,717,411



## (2) Condensed Consolidated Income Statements and Statements of Comprehensive Income

### Condensed Consolidated Income Statements

The first three months of FY2022 and FY2023

(Thousands of yen)

	Three months ended 31 March 2022 (1 Jan. to 31 Mar. 2022)	Three months ended 31 March 2023 (1 Jan. to 31 Mar. 2023)
Sales revenue	2,297,119	2,189,850
Cost of sales	(100,410)	(140,665)
Gross profit	2,196,709	2,049,185
Selling, general and administrative expenses	(2,828,354)	(3,532,102)
Other income	12,263	15,770
Other expense	(26)	(244,456)
Operating loss	(619,408)	(1,711,603)
Financial income	41,343	85,109
Financial expense	(2,187)	(1,485)
Loss before tax	(580,252)	(1,627,979)
Income tax expense	(13,013)	(4,529)
Net loss	(593,265)	(1,632,508)
Loss attributable to:		
Shareholders of the Company	(540,774)	(1,632,508)
Non-controlling interests	(52,491)	-
Net loss	(593,265)	(1,632,508)
Loss per share		
Basic loss per share	(5.18)	(15.73)
Diluted loss per share	-	-

## Condensed Consolidated Statements of Comprehensive Income

The first three months of FY2022 and FY2023

(Thousands of yen)

	Three months ended 31 March 2022 (1 Jan. to 31 Mar. 2022)	Three months ended 31 March 2023 (1 Jan. to 31 Mar. 2023)
Net loss	(593,265)	(1,632,508)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in financial instruments designated as those to be measured at fair value through other comprehensive income and measured as such	556	(139,169)
Total of items that will not be reclassified subsequently to profit or loss	556	(139,169)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	231,617	341,240
Total items that may be reclassified subsequently to profit or loss	231,617	341,240
Other comprehensive income, net of tax	232,173	202,071
Comprehensive income	(361,092)	(1,430,436)
Comprehensive income attributable to:		
Shareholders of the Company	(308,601)	(1,430,436)
Non-controlling interests	(52,491)	-
Comprehensive income	(361,092)	(1,430,436)

### (3) Condensed Consolidated Statements of Changes in Equity

The first three months of FY2022 (1 January 2022 through 31 March 2022)

(Thousands of yen)

	Equity attributable to shareholders of the Company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to shareholders of the Company		
Balance as of 1 Jan. 2022	5,286,015	7,194,224	8,985,618	(735,054)	299,123	21,029,926	601,707	21,631,633
Net loss	-	-	(540,774)	-	-	(540,774)	(52,491)	(593,265)
Other comprehensive income	-	-	-	-	232,173	232,173	-	232,173
Total comprehensive income	-	-	(540,774)	-	232,173	(308,601)	(52,491)	(361,092)
Share-based payment transaction	-	-	-	-	7,182	7,182	-	7,182
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Other	-	(0)	-	-	-	(0)	-	(0)
Total transactions with shareholders	-	(0)	-	-	7,182	7,182	-	7,182
Balance as of 31 Mar. 2022	5,286,015	7,194,224	8,444,844	(735,054)	538,478	20,728,507	549,216	21,277,723

The first three months of FY2023 (1 January 2023 through 31 March 2023)

(Thousands of yen)

	Equity attributable to shareholders of the Company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to shareholders of the Company		
Balance as of 1 Jan. 2023	5,286,015	7,146,652	5,501,550	(735,054)	552,839	17,752,001	-	17,752,001
Net loss	-	-	(1,632,508)	-	-	(1,632,508)	-	(1,632,508)
Other comprehensive income	-	-	-	-	202,071	202,071	-	202,071
Total comprehensive income	-	-	(1,632,508)	-	202,071	(1,430,436)	-	(1,430,436)
Share-based payment transaction	-	-	-	-	3,472	3,472	-	3,472
Acquisition of treasury shares	-	(132,236)	-	(2,578,296)	-	(2,710,532)	-	(2,710,532)
Other	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	(132,236)	-	(2,578,296)	3,472	(2,707,060)	-	(2,707,060)
Balance as of 31 Mar. 2023	5,286,015	7,014,416	3,869,042	(3,313,350)	758,382	13,614,505	-	13,614,505

#### (4) Condensed Consolidated Statements of Cash Flows

	(Thousands of yen)	
Notes	Three months ended 31 March 2022 (1 Jan. to 31 Mar. 2022)	Three months ended 31 March 2023 (1 Jan. to 31 Mar. 2023)
Cash flows from operating activities		
Loss before tax	(580,252)	(1,627,979)
Impairment loss	17,242	143,845
Depreciation and amortisation	73,553	83,571
Financial expense (or income)	(47,354)	(89,413)
Net decrease (or increase) of trade and other receivables	124,117	(94,595)
Net increase (or decrease) of trade and other payables	(65,455)	195,344
Net increase/decrease of consumption taxes payable or consumption taxes refund receivable	40,921	22,429
Other	(13,720)	53,708
Subtotal	(450,948)	(1,313,090)
Interest and dividend income received	2,208	68,467
Interest expenses paid	(1,463)	(1,155)
Income taxes refunded (or paid)	(48,058)	(35,491)
Cash flows from operating activities	(498,260)	(1,281,268)
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,889)	(5,565)
Purchase of intangible assets	(1,343)	(2,990)
Purchase of investment securities	(66,218)	(452,943)
Payment for lease and guarantee deposits	(942)	(3,706)
Proceeds from collection of lease and guarantee deposits	32,965	1,145
Payment for fulfilment of asset retirement obligations	(18,000)	-
Other	(16,665)	(6,833)
Cash flows from investing activities	(84,092)	(470,892)

	(Thousands of yen)	
Notes	Three months ended 31 March 2022 (1 Jan. to 31 Mar. 2022)	Three months ended 31 March 2023 (1 Jan. to 31 Mar. 2023)
Cash flows from financing activities		
Repayments of lease obligations	(94,951)	(105,622)
Purchases of treasury shares	-	(54,710)
Other	(0)	-
Cash flows from financing activities	(94,951)	(160,332)
Net increase (or decrease) in cash and cash equivalents	(677,303)	(1,912,493)
Cash and cash equivalents at beginning of period	20,410,037	16,824,230
Effect of exchange rate change on cash and cash equivalents	285,176	335,130
Cash and cash equivalents at end of period	20,017,909	15,246,868

## (5) Notes to Condensed Consolidated Financial Statements

### 1. Reporting entity

Cookpad Inc. (the “Company”) is a company located in Japan. These condensed consolidated financial statements contain business results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2023 (“Q1 FY2023”).

The Group is committed to its mission to “Make everyday cooking fun!” and operates “Cookpad,” a platform for finding and posting recipes online and other cooking-related businesses.

### 2. Basis of preparation

#### (1) Compliance with IFRS

The Group fulfils the requirements of a “specified company applying designated International Financial Reporting Standards” as provided in Article 1-2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements” (Ordinance of the Cabinet Office No. 64 of 2007). Therefore, the Company’s condensed consolidated financial statements are prepared in conformity with IAS 34 “Interim Financial Reporting” in accordance with the provisions of Article 93 of the ordinance.

The condensed consolidated financial statements do not include all information required for the consolidated financial statements for the full year, and thus should be used together with the consolidated financial statements for the previous fiscal year.

#### (2) Basis of measurement

The Group’s condensed consolidated financial statements are prepared on historical cost, except for certain financial instruments and other assets to be measured on a fair value basis.

#### (3) Functional and presentation currency

The Group’s condensed consolidated financial statements are presented in Japanese yen and financial figures are rounded to the nearest thousand yen.

### 3. Significant accounting policies

Significant accounting policies applied to the preparation of these condensed consolidated financial statements are the same as the ones applied to the consolidated financial statements for the previous fiscal year, except the changes described below.

Income taxes for Q1 FY2023 have been calculated using the estimated average annual effective tax rate.

#### (Changes in accounting policies)

The Group applies IAS 12 “Income Taxes” (which clarifies the accounting treatment required for a deferred tax related to assets and liabilities arising from a single transaction) starting from Q1 FY2023. The application of the standard and its related interpretations has no impact on the condensed consolidated financial statements for Q1 FY2023.

### 4. Use of significant accounting estimates and judgments

The preparation of condensed consolidated financial statements requires the management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions may differ from the actual results.

These estimates and underlying assumptions are reviewed by management on a continuous basis. Changes in these accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The management has applied the same estimates and judgments that materially affect the reported amounts in the condensed consolidated financial statements for Q1 FY2023 as it did for the consolidated financial statements for FY2022.

5. Segment information

The Group only has a single business segment “Make everyday cooking fun!” and thus the description of business results for each business field is omitted.

6. Subsequent events

Not applicable.

**(6) Notes on the Going Concern Assumption**

Not applicable.