cookpad

The 20th General Meeting of Shareholders

Notice of Convocation

To shareholders who have not requested delivery of written documentation, we have sent the Notice of Convention, How to Exercise Your Voting Rights and reference documents for the General Meeting of Shareholders. To those who have made such a request, we have provided written documents excluding certain items in accordance with the relevant laws and ordinances as well as Article 20 of our Articles of Incorporation regarding electronic provision. Consequently, the page and item numbers in the sent documents may not be in sequential order, but this is by design. Additionally, be advised that the reference pages tally with those in the electronic materials provided.

Cookpad Inc.

Security Code: 2193

Securities code: 2193
6 March 2024
(Electronic provision of information starts on: 7 March 2023)

To our shareholders:

WeWork OCEAN GATE MINATOMIRAI, 3-7-1
Minatomirai, Nishi-ku, Yokohama, Kanagawa, Japan
Akimitsu Sano, CEO
Cookpad Inc.

Notice of Convocation of the 20th General Meeting of Shareholders

We are pleased to inform you of the convocation of the 20th General Meeting of Shareholders per the description below.

For the convocation of this meeting, we have introduced the electronic provision of reference documents and related information. Accordingly, we post the detailed information in the "Notice of Convocation of the 19th General Meeting of Shareholders" on our official website at: https://info.cookpad.com/en/ir/

The data is also available on the website of the Tokyo Stock Exchange (TSE) at: https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

To find the electronic documents on the TSE's website, enter the name and code of the Company and press "Search." After clicking on "Basic information," press "Documents for public inspection/PR information" and choose the ones you wish to browse.

If you are unable to join us on the day, you can exercise your voting rights either in writing or electronically (via the internet or other electronic methods), as outlined in "How to Exercise Your Voting Rights" on the next page. We encourage you to review the reference documents for the General Meeting of Shareholders and to kindly ensure that your voting rights are exercised by 5:30pm, Wednesday, 27 March 2024 (JST).

1 Date
10:00am, Thursday, 28 March 2024
(Reception opens at 9am)

2 Venue
3rd Floor, 1st Building of Aka-Renga Soko
(Yokohama Red Brick Warehouse)
1-1-1 Shinko, Naka-ku, Yokohama, Kanagawa, Japan

3 Agenda

Reports
1. Business report for the 27th Business Period (1 Jan. 2023 through 31 Dec. 2023)
   Report of the Consolidated Financial Statements and the results of the audit of the statements by the independent auditor and the Audit Committee
2. Report of the Non-Consolidated Financial Statements for the 27th Business Period (1 Jan. 2023 through 31 Dec. 2023)

Resolutions
Resolution 1: Partial Changes to the Articles of Incorporation
Resolution 2: Election of Five Directors
Resolution 3: Issuance of Share Subscription Warrants as Share Options
Resolution 4: Capital Reduction

◎ If you attend the meeting in person, please submit the enclosed ballot at the reception. You are also kindly requested to bring this notice as meeting materials when you attend.

◎ Only our shareholders are allowed to enter the venue.
If you wish to exercise your voting rights through a proxy, such proxy must be one of our shareholders entitled to vote. In this case, you are required to submit a written power of attorney.

◎ Any changes to the electronically provided information will be posted on the above websites.

◎ To be fair to shareholders who reside in remote regions and cannot attend the meeting, no souvenirs will be provided to attendees. Your understanding would be appreciated.

How to Exercise Your Voting Rights

If you are unable to attend the meeting in person, you can exercise your voting rights in either of the two manners described below. We again encourage you to kindly ensure that your voting rights are exercised by the deadline.

● Voting by postal mail

Deadline To be arrived by 5:30pm, Wed., 27 March 2024

Indicate your approval or disapproval of the resolutions on the enclosed voting rights exercise form and return it to the Company by postal mail. Please ensure that it will arrive before the deadline. If no approval or disapproval is expressed for the respective proposals, it will be treated as an approval vote.

● Voting online

Deadline To be entered by 5:30pm, Wed., 27 March 2024

Access the website for exercising voting rights and indicate your approval or disapproval of the resolutions.

[Website for exercising voting rights] https://www.web54.net

* The website cannot be accessed with some internet browsers and mobile phone models.

To institutional shareholders:

You can use the electronic voting platform for institutional shareholders operated by ICJ, Inc.

Precautions:

- In the event of duplicate voting online (via internet, etc.) and by postal mail, the vote cast online shall prevail.
- In the event of duplicate voting in the same manner, the latest vote shall prevail.

Resolutions and Reference Matters

Resolution 1: Partial Changes to the Articles of Incorporation

1. Reason for the changes

(1) To enhance the productivity and operational efficiency of its officers and employees through the improvement of the office environment for better business growth, the Company plans to relocate its headquarters. Accordingly, we will propose that the officially registered location of the headquarters stated in Article 4 of the current Articles of Incorporation should be changed from Yokohama, Kanagawa Prefecture, to Meguro-ku, Tokyo.
Subject to shareholder approval, this change will take effect on 1 May 2024, and for clear communication of the timing of the change, we will add a supplementary provision, which will be removed after the effective date of the change.

(2) To facilitate the orderly progression of the General Meeting of Shareholders, we will propose that an amendment to the Articles of Incorporation to permit the appointment of a co-chair to serve alongside the chair in presiding over the meeting.

2. Details of changes

The changes to be made to the Articles of Incorporation are outlined below.

(Changes are highlighted with underlining.)

Current	After proposed changes
(Location of headquarters) Articles 4 The Company's headquarters is located in <u>Yokohama, Kanagawa Prefecture</u>.	(Location of headquarters) Articles 4 The Company's headquarters is located in <u>Meguro-ku, Tokyo</u>.
(Caller and chair) Article 16 1. The Representative Executive Officer is responsible for convening the General Meeting of Shareholders pursuant to the Board of Directors' resolution, and shall preside as the chair of the meeting, unless otherwise specified by law or ordinance. 2. (Provision omitted)	(Caller and chair) Article 16 1. The Representative Executive Officer is responsible for convening the General Meeting of Shareholders pursuant to the Board of Directors' resolution, and shall preside as the chair of the meeting, unless otherwise specified by law or ordinance. <u>However, the chair has the discretion to appoint another executive officer as a co-chair</u>. 2. (Unchanged)
(Added)	<u>Supplementary Provision</u> <u>The amendment to Article 4 (Location of headquarters) shall take effect on 1 May 2024.</u> <u>This supplementary provision shall be removed following the effective date of the change to Article 4 (Location of headquarters).</u>

Resolution 2: Election of Five Directors

The tenures of seven directors of the Company ("Directors") will expire upon the conclusion of this General Meeting of Shareholders ("GM2024"). Accordingly, from the viewpoint of reinforcing corporate governance and streamlining the corporate management structure, we hereby request the election of five Directors, which includes the appointments of two new Outside Directors and one new Inside Director. The candidates for these positions are outlined below.

Candidate No.	Name (Date of birth) Responsibilities	Brief career history and position (Important concurrent positions)	No. of shares of the Company's stock held
1	Akimitsu Sano (1 May 1973) Member of Nominating Committee Member of Compensation Committee Reappointed	Oct. 1997 Founded Coin Ltd. (Currently the Company) Sep. 2004 Appointed as Representative Director of the Company Jul. 2007 Appointed as Representative Executive Officer and Director May 2012 Appointed as Director and Executive Officer Jul. 2012 Appointed as Director (Current) Mar. 2016 Appointed as Executive Officer Jun. 2016 Appointed as Director of Cookpad Limited (U.K.) (Current) Oct. 2023 Appointed as Representative Executive Officer (Current)	46,582,800
	[Reasons for nomination as Director candidate] As the founder of the Company, Mr. Sano successfully led the Company through such stages as the design of its corporate philosophy and the development of its core services. As Director and Executive Officer, he has fully performed his roles in relation to decision making regarding important management matters and supervision of business execution. For these reasons, the Company is confident that Mr. Sano will continue to assume key roles for the business expansion and its overall management.		
2	Morio Inukai (2 February 1973) Newly appointed	Oct. 1995 Joined Asahi Audit Corporation (Currently KPMG AZSA LLC) Jul.. 2007 Joined Goldman Sachs Realty Japan Ltd. Nov. 2011 Joined Venture Republic Inc. Jul. 2016 Joined the Company as Vice President in charge of Finance Nov. 2016 Appointed as Executive Officer (Current) Sep. 2023 Appointed as Director of Cookpad Limited (U.K.) (Current)	30,500
	[Reasons for nomination as Director candidate] As the individual responsible for financial operations of the Company, Mr. Inukai has been overseeing the Company's business management functions. Furthermore, he has vast experience in taking decisions concerning important business executions together with other leaders. For these reasons, the Company is confident that Mr. Inukai will assume key roles for the business expansion and its overall management.		

Candidate No.	Name (Date of birth) Responsibilities	Brief career history and position (Important concurrent positions)	No. of shares of the Company's stock held
3	Junichi Motai (19 March 1974) Newly appointed Outside Director	Apr. 1996 Joined Asahi Audit Corporation (Currently KPMG AZSA LLC) Jun. 2006 Appointed as Non-Statutory Auditor of Start Today Ltd. (Currently ZOZO, Inc.) Dec. 2008 Founded Accounting Assist Co., Ltd. as Representative Director (Current) Sep. 2009 Appointed as Non-Statutory Auditor of EC Navi Company (Currently CARTA HOLDINGS Inc.) (Current) Mar. 2015 Appointed as Non-Statutory Auditor of Vision Inc. (Current) Apr. 2016 Appointed as Non-Statutory Auditor of Cyber Area Research, Inc. (Currently Geolocation Technology, Inc.) (Current) Jun. 2021 Appointed as Outside Director of gooddays Holdings, Inc. (Current) (Important concurrent positions) Representative Director of Accounting Assist Co., Ltd. Non-Statutory Auditor of CARTA HOLDINGS Inc. Non-Statutory Auditor of Vision Inc. Non-Statutory Auditor of Geolocation Technology, Inc. Outside Director of gooddays Holdings, Inc.	0
	[Reasons for nomination as Outside Director candidate and expected responsibilities] With extensive experience as a certified accountant as well as a non-statutory auditor of listed companies, Mr. Motai has profound knowledge about corporate governance. For these reasons, the Company is confident that Mr. Motai can provide it with oversight and advice relevant to its business.		
4	Trang Diep Kieu Le (Commonly known as Christy Trang Le) (11 August 1980) Member of Nominating Committee Member of Compensation Committee) Reappointed Outside Director	Feb. 2006 Joined HSBC Bank (Vietnam) Ltd. Dec. 2007 Joined Leading Business Club (Vietnam) Sep. 2011 Joined McKinsey and Company Incorporated USA Dec. 2012 Joined Misfit Wearables Corporation as COO and CFO Jan. 2016 Joined Fossil Vietnam Limited Liability Company as Managing Director Mar. 2018 Joined Facebook Vietnam as Country Director Nov. 2019 Joined Harrison-AI Pty Ltd as President of Vietnam (Current) Apr. 2020 Joined Arevo Inc. as CFO and General Manager Vietnam Mar. 2023 Joined the Company as Director (Current) Apr. 2024 Co-founded Hestya Inc. (Important concurrent positions) Harrison-AI Pty Ltd as President of Vietnam Operations Co-founder of Hestya Inc.	0
	[Reasons for nomination as Outside Director candidate and expected responsibilities] Gaining experience in multiple internet service companies, Ms. Le has extensive knowledge about social media communities. For these reasons, the Company is confident that Ms. Le can provide it with oversight and advice relevant to its business.		

Candidate No.	Name (Date of birth) Responsibilities	Brief career history and position (Important concurrent positions)	No. of shares of the Company's stock held
5	Matsukane Imai (4 August 1979) Newly appointed Outside Director	Sep. 2002 Joined Sony Corporation Jun. 2006 Founded Majides, Inc. and assumed office as Representative Director and CEO Jun. 2009 Co-founded Gengo, Inc. as Director and CTO Mar. 2015 Appointed as Representative Director and CEO Jan. 2019 Joined Lionbridge Technologies, LLC as head of Gengo Team Apr. 2020 Co-founded Shizen Capital LLC as Representative Employee (Current) (Important concurrent positions) Representative Employee of Shizen Capital LLC	0
	[Reasons for nomination as Outside Director candidate and expected responsibilities] Gaining experience as CTO and CEO of multiple internet service companies, Mr. Imai has extensive knowledge about technology and corporate management. For these reasons, the Company is confident that Mr. Imai can provide it with oversight and advice relevant to its business.		

Notes
1. Mr. Junichi Motai, Ms. Trang Diep Kieu Le and Mr. Matsukane Imai are candidates for Outside Directors as stipulated by Article 2 (3) (vii) of the Ordinance for Enforcement of Japan's Companies Act. The brief career history of each candidate is followed by explanations of the reasons for their nomination as outside directors and their expected responsibilities.
2. "No. of shares of the Company's stock held" refers to the number of shares held by each candidate as of 31 December 2023.
3. Each of the candidates has no special interest with the Company.
4. Ms. Trang Diep Kieu Le is currently an Outside Directors of the Company. The tenure of Ms. Le as an Outside Director will be one year at the conclusion of GM2024.
5. Liabilities limitation agreements with directors
   The Company has entered into a liabilities limitation agreement with Ms. Trang Diep Kieu Le, pursuant to Article 427 (1) of Japan's Companies Act, to limit their liabilities stipulated by Article 423 (1) of the said Act to the amount specified in relevant laws and regulations on the condition that she performs her duties as a Director in good faith and without gross negligence. Subject to shareholder approval of the reappointment as a Director at GM2024, the Company plans to maintain such an agreement with her. The Company also plans to enter into an equivalent liabilities limitation agreement with each of Mr. Junichi Motai and Mr. Matsukane Imai, subject to shareholder approval of their appointments as Directors at GM2024.
6. The Company has filed a registration of Ms. Trang Diep Kieu Le as an independent officer with the Tokyo Stock Exchange and, subject to the passing of Resolution 2, plans to maintain the registration. The Company also plans to file registrations of Mr. Junichi Motai and Mr. Matsukane Imai as independent officers with the exchange, subject to shareholder approval of their appointments at GM2024.
7. Indemnity agreements
   The Company has entered into indemnity agreements with Mr. Akimitsu Sano and Ms. Trang Diep Kieu Le, pursuant to Article 430-2 (1) of Japan's Companies Act, to the effect that the Company will indemnify expenses and losses provided for in Article 430-2 (1) (i) and (ii) of the said Act within the scope of relevant laws and regulations. The Company has entered into an equivalent indemnity agreement with Mr. Morio Inukai in his capacity as an Executive Officer and plans to enter into a separate equivalent indemnity agreement with Mr. Inukai in his role as a Director, subject to shareholder approval of his appointment at GM2024. The Company also plans to enter into an equivalent indemnity agreement with each of Mr. Junichi Motai and Mr. Matsukane Imai, subject to shareholder approval of their appointments at GM2024.
8. Directors and officers liability insurance agreement
   The Company has entered into a directors and officers liability insurance agreement with an insurance company under which the insurance policy covers damages, court costs and other expenses that may result from the insured held liable for the performance of their duties, pursuant to Article 430-3 (1) of Japan's Companies Act. Each of the candidates will be insured under this agreement, which Company plans to renew with equivalent provisions when it expires.

Resolution 3: Issuance of Share Subscription Warrants as Share Options

This resolution seeks shareholder approval of our proposition that the authority to decide the terms and conditions of the solicitation of subscribers to share subscription warrants to be issued as share options to executive officers and employees of the Company and to directors and employees of the Company's subsidiaries pursuant to Articles 236, 238 and 239 of Japan's Companies Act ("Share Options") should be granted to the Board of Directors (the "Board") through the planned share option scheme described below. In accordance with Article 416 (4) of the said Act, the Board will grant the authority to decide the terms and conditions of the solicitation of subscribers to Share Options to Chief Executive Officer, subject to shareholder approval of the above proposal.

1. Reasons for solicitating subscribers to share options under particularly favourable conditions
   The Company plans to issue share options free of charge to its executive officers and employees and to directors and employees of the Company's subsidiaries, in order to raise their motivation and morale toward better performance and to attract competent personnel.

2. Eligible subscribers
   Executive officers and employees of the Company and directors and employees of the Company's subsidiaries

3. Details of Share Options

(1) Number and class of shares to be acquired through the exercise of Share Options

Up to 1,700,000 ordinary shares of the Company's stock.

The above number of shares will be adjusted by applying the formula shown below should the Company proceed with a share split or a reverse share split. The adjustment will be based on the number of shares to be acquired through the exercise of Share Options that have not been exercised at that point in time, and units less than one share arising as a result of the adjustment will be discarded.

Adjusted No. of shares = Unadjusted No. of shares x Share split or reverse share split ratio

Additionally, the number of shares will be adjusted within a reasonable range should an unavoidable situation whereby an adjustment is necessary arise following GM2024.

(2) Number of Share Options

Up to 17,000 Share Options will be allotted.

The number of shares to be acquired through the exercise of one Share Option is 100 shares, but this number will be adjusted accordingly if the number of shares that can be acquired by the exercise of Share Options is adjusted as provided in (1) above.

(3) Money to be paid in exchange for the issuance of Share Options

No payment is required in exchange for the issuance of Share Options.

(4) Value of properties contributed with the exercise of Share Options

The value of properties contributed with the exercise of one Share Option shall be the paid-in amount per each of shares issued by the exercise of the Share Option (the "Exercise Price") multiplied by the number of shares granted. The Exercise Price will be determined as follows.

The Exercise Price shall be the average value of the closing prices (including indicative prices) of an ordinary share of the Company's stock for ordinary trading in the Tokyo Stock Exchange across all trading days in the month (excluding days on which no trade occurs) prior to the month in which the allotment date of Share Options falls multiplied by 1.05 (rounded up to the nearest yen) or the closing price on the allotment date (or the most recent date before the allotment date if no trade occurred on that date), whichever is the higher value.

In the event of the Company proceeding with a share split or a reverse share split of the ordinary shares of the Company's stock after the allotment date of Share Options, the Exercise Price shall be adjusted using the formula shown below, with values of less than 1 yen being rounded up.

$$\text{Adjusted Exercise Price} = \text{Unadjusted Exercise Price} \times \frac{1}{\text{Share split or reverse share split ratio}}$$

The total market value and the total Exercise Price-based value of the shares to be acquired through the exercise of Share Options will be effectively unchanged after the adjustment.

Additionally, the Exercise Price will be adjusted within a reasonable range should an unavoidable situation whereby an adjustment is necessary arise following GM2024.

(5) Period during which Share Options can be exercised

The period of time during which Share Options can be exercised (the "Exercise Window") shall be two years starting five years after the date when issuance of Share Options was resolved.

(6) Conditions for the exercise of Share Options

a) The holder of Share Options ("Option Holder") needs to be in the position of director, executive officer, auditor or employee of the Company or one of them of its subsidiaries at the time of exercise of the Share Options. This does not apply, however, to those who have left their positions reasonably as approved by the Board, such as retirement at the end of their term, mandatory retirement, death or employment transfer.
b) In the event of death of the Option Holder during the Exercise Window, the heir or the statutory agent of the Option Holder may exercise the Share Options within the scope of rights granted to the Option Holder by following the procedures set out by the Company within a year after the death of the Opinion Holder on the condition that the Option Holder had not been on leave of absence since before the start of the Exercise Window.
c) The Option Holder may exercise Share Options only if the Option Holder has achieved the requirements set out in the separate allotment agreement with the Company, within the time limit prescribed in the agreement. If the number of Share Options that the Option Holder is entitled to exercise includes units of less than one Share Option, the said units will be discarded.
d) In the event that the exercise of Share Options would cause the number of outstanding shares of the Company's stock to exceed the number of shares authorised to be issued by the Company, the Option Holder may not exercise Share Options.
e) The Option Holder may not exercise any fraction less than one Share Option.

(7) Matters related to the increase of legal capital and legal capital reserves associated with the issuance of shares arising from the exercise of Share Options

a) The amount of legal capital to be increased as a result of the issuance of shares arising from the exercise of Share Options shall be lower than one half of the upper limit to the amount of capital increase calculated in accordance with Article 17 (1) of the Company's Calculation Rules ("Capital Increase Limit"). For the purpose of this provision, units of less than one yen will be rounded up and any cost of the issuance of shares arising from the exercise of Share Options may not be deducted from the Capital Increase Limit.

b) The amount of legal capital reserve to be increased as a result of the issuance of shares arising from the exercise of Share Options will be the Capital Increase Limit minus the amount of capital increase set out in paragraph a) above.

(8) Restrictions on the acquisition of Share Options by transfer

The acquisition of Share Options by transfer requires approval by the Board.

(9) Reasons and conditions for the acquisition of Share Options by the Company

a) In the event that the 21-trading-day average value of the closing prices (including indication prices) of an ordinary share of the Company's stock for ordinary trading in the Tokyo Stock Exchange between the allotment date of Share Options and the date before the commencement date of the Exercise Window (excluding days without the closing price; however, to be adjusted accordingly if the Company conducts an allotment of shares free of charge, a share split or a reverse share split, or for any other similar purpose) falls below 65% of the Exercise Price and the Board specifies an acquisition date, the Company may acquire all those Share Options free of charge on the said date.

b) In the event that the meeting of shareholders (or the Board if approval by the meeting of shareholders is not required) approves the conclusion of an absorption-type or consolidation-type merger agreement in which the Company is the dissolving company, a share exchange agreement in which the Company is the wholly owned subsidiary or a share transfer plan in which the Company is the wholly owned subsidiary, or an absorption-type or incorporation-type demerger plan in which the Company is the splitting company and the Board decides that the acquisition of Share Options by the Company is necessary and specifies an acquisition date, the Company may acquire all those Share Options free of charge on the said date.

c) If a resolution is passed to amend its Articles of Incorporation to add provisions requiring the Company's approval for acquiring by transfer all shares issued by the Company, the Company may acquire all Share Options free of charge on the date separately specified by the Board.

d) If a resolution is passed to amend its Articles of Incorporation to add provisions requiring the Company's approval for acquiring by transfer shares to be acquired through the exercise of Share Options or provisions allowing the Company to acquire all such shares upon approval by the meeting of shareholders, the Company may acquire all Share Options free of charge on the date separately specified by the Board.

(10) Policy for decisions on matters regarding the expiration of Share Options as a result of company reorganisation and the issuance of new Share Options by the reorganised company

In the event that the Company enters into a merger in which it is the dissolving company, a share exchange or a share transfer (collectively "Reorganisation"), the Company may exchange new share options of the joint-stock company as provided in Article 236 (1) (viii) (a), (d) and (e) of Japan's Companies Act ("Reorganised Company") for expired Share Options held by those who remained Option Holders immediately prior to the date that the said Reorganisation takes effect (the date of the registration of incorporation in the case of consolidation-type reorganisation; the same applies hereinafter) under the following conditions, provided these conditions are set out in the agreement or the plan for the Reorganisation:

a) Number of share options to be issued by the Reorganised Company
The same number of share options shall be issued as the number of Share Options held by the remaining Option Holders.

b) Number and type of shares to be acquired through the exercise of share options and the calculation method
The type of shares to be acquired through the exercise of share options is ordinary shares of the Reorganised Company's stock. The number of shares to be acquired through the exercise of share options shall be calculated by the number of shares to be acquired through the exercise of Share Options on the day before the Reorganisation takes effect, multiplied by the merger ratio or the share exchange/share transfer ratio with the appropriate adjustments, to be adjusted by the method set out in (1) above after the date when the Reorganisation takes effect.

c) Amount of money contributed with the exercise of share options and the calculation method
The amount shall be calculated as the Exercise Price of Share Options on the day before the date when the Reorganisation takes effect with appropriate adjustments applied, to be adjusted by the method set out in (4) above after the date when the Reorganisation takes effect.

d) Period during which share options can be exercised
The exercise window of share options shall run from the first day of the Exercise Window or the date when the Reorganisation takes effect, whichever is later, until the end of the Exercise Period.

e) Conditions for the exercise of share options
Conform to those set out in (6) above.

f) Matters related to the increase of legal capital and legal capital reserves associated with the issuance of shares arising from the exercise of share options
Conform to those set out in (7) above.

g) Restrictions on the acquisition of share options by transfer
The acquisition of share options by transfer requires approval by the Reorganised Company.

h) Reasons and conditions for the acquisition of share options by the Reorganised Company
Conform to those set out in (9) above.

(11) Treatment of units of less than one share to be issued when Share Options are exercised
Units of less than one share will be discarded from the total number of shares issued to Option Holders upon the exercise of Share Options.

(12) Matters regarding share option certificates for Share Options
The Company will not issue share option certificates for Share Options.

Resolution 4: Capital Reduction

To maintain a healthy financial position by ensuring taxation appropriate for its current business scale while taking financial decisions involving capitalization flexibly and swiftly, the Company plans to reduce its capital stock amount, transferring the reduction amount to the other capital surplus, in accordance with Article 447 (1) of Japan's Companies Act.

1. Capital reduction amount
   The capital stock amount is planned to be reduced by 5,236,015,000 yen, from 5,286,015,000 yen, the amount as of 31 December 2023, to 50,000,000 yen.

2. Reduction method
   This will be a capital reduction without consideration, meaning that no payback will be made to shareholders. The capital stock will be reduced without altering the total number of shares issued, and the entire amount reduced will be transferred to the other capital reserve.

3. Effective date
   1 June 2024 (to be confirmed)

1. Outlook of Group Companies

(1) Capital expenditures

Total capital expenditures for the consolidated fiscal year ended 31 December 2023 (“FY2023”) were 42 million yen. A significant portion of this amount was allocated to the acquisition of furniture and fixtures for the development of new services.

(2) Financing

No special notes

(3) Acquisition or disposal of shares of stock, other equity interest or share subscription warrants of/in other companies

No special notes

(4) Major parent companies and subsidiaries

a) Status of major parent companies

Not applicable

b) Status of major subsidiaries

Company name	Capital	Ownership interest	Principal business
Cookpad Limited	83,995 thousand British pounds	100.0%	Controlling overseas subsidiaries
Cookpad Spain, S.L.	611 thousand euro	100.0%	Developing and operating recipe services
PT COOKPAD DIGITAL INDONESIA	300 thousand US dollars	100.0%	Developing and operating recipe services

(5) Progress and achievement in operation

a) Business results

To deliver on its mission to “Make everyday cooking fun!” the Group has been making proactive investments to solve various problems associated with 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.

Currently, We operate “Cookpad,” a platform for finding and sharing recipes, across 71 countries in 29 languages. Additionally, we are advancing the development and enhancement of cooking-related services such as “Cookpad Mart,” a fresh food e-commerce platform offering enhanced shopping freedom, and “moment,” our personal culinary coaching service.

Sales revenue for the fiscal year ended 31 December 2023 (“FY2023”) was 7,607 million yen (down 16.3% year on year). Its decrease was due to the declines in the domestic recipe service membership sales and the domestic recipe service advertising sales. SG&A expenses fell to 10,108 million yen (down 17.4% YoY) owing to the improvement in cost efficiency, although one-time expenses were incurred for the reorganisation of our business development structure and personnel downsizing.

Operating loss improved to 2,799 million yen (compared to 3,520 million yen a year earlier) with the decrease in SG&A expenses more than offsetting the drop in sales revenue. Consequently, loss before tax declined to 2,379 million yen (compared to 3,529 million yen a year earlier), and loss attributable to shareholders of the Company was 2,229 million yen (compared to 3,488 million yen a year earlier).

For the fourth quarter of FY2023, the most recent quarter that concluded, the completion of the reorganisation of our business development structure and the personnel downsizing led to a return to profitability across three key P/L metrics: operating profit, profit before tax and profit attributable to shareholders of the Company for the said quarter were 285 million yen, 333 million yen and 496 million yen, respectively.

However, acknowledging that the profitability achieved in the fourth quarter of FY2023 primarily resulted from cost reduction measures, we remain committed to proactively investing in the development of businesses poised to set standards for the future. This approach is aimed at enhancing our secular corporate value and maximising shareholder value.

b) Performance by segment

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	Fiscal year ended 31 December 2023 (1 Jan. to 31 Dec. 2023)
Make everyday cooking fun!	7,607
Domestic recipe service membership sales	5,863
Domestic recipe service advertising sales	786
Other sales	957

The domestic recipe service membership sales for FY2023 were 5,863 million yen (down 8.5% year on year). This drop was mainly caused by the decrease in the Premium Services membership by around 160 thousand members compared to a year earlier, to 1,525 thousand as of the end of FY2023.

The domestic recipe service advertising sales for FY2023 fell to 786 million yen (down 49.0% YoY) owing primarily to the suspension of sales activities for various advertisements following our decision to discontinue the advertising business.

Other sales for FY2023 decreased to 957 million yen (down 15.8% YoY) with some operations restructured or discontinued.

(6) Issues to be addressed

Under its mission to “Make everyday cooking fun!” the Company will tackle the major challenges outlined below.

a) Sales expansion

While the Group operates its flagship recipe finding/sharing service in 71 countries worldwide, the domestic Premium Services membership has been dwindling, affected by media diversification among other factors. We aim to establish a new pillar of earnings by delivering new values and reversing this downward trend to pave the way for sales expansion. Simultaneously, we remain committed to creating new businesses poised to set standards for the future.

b) Securing high-potential talent

We believe that hiring and developing high-potential talent is essential for the Group’s sustainable growth. We will focus on creating a work environment and framework where capable individuals aligned with our mission can feel motivated and thrive.

c) Investment in technology

As an entity primarily offering services online, we recognize the critical role of creating value-added services through technology; not only does the Group need to ensure the stable operation of its systems for service delivery, but it must also develop robust security management system and continuously improve the user experience. We will remain committed to maintaining and enhancing service stability and safety, thereby increasing business value, by consistently investing in technology.

(7) Financial summary of the Group

Item		24th BP (ended on 31 Dec. 2020)	25th BP (ended on 31 Dec. 2021)	26th BP (ended on 31 Dec. 2022)	27th BP (ended on 31 Dec. 2023)
Sales revenue	(million yen)	11,095	10,004	9,086	7,607
Profit (or loss) before tax	(million yen)	210	(2,595)	(3,529)	(2,379)
Profit (or loss) attributable to shareholders of the Company	(million yen)	479	(2,380)	(3,488)	(2,229)
Basic earnings (or loss) per share*1	(yen)	4.46	(22.41)	(33.47)	(23.21)
Total assets	(million yen)	26,512	23,863	20,154	14,597
Equity attributable to shareholders of the Company	(million yen)	23,323	21,029	17,752	13,727
Equity attributable to shareholders of the Company per share*1	(yen)	216.74	201.22	169.52	146.24

(Notes) 1. Basic earnings (or loss) per share have been calculated based on the average number of shares outstanding in the fiscal year, excluding treasury shares. Equity attributable to shareholders of the Company per share has been calculated based on the number of outstanding shares as of the end of the fiscal year.
2. The accounting policies changed in the 25th business period and the change has also been applied to the figures for the 24th business period retrospectively.
3. The amounts are rounded down to the nearest million yen.

(8) Main business (as of 31 December 2023)

Business unit	Description
Make everyday cooking fun!	Planning and operating recipe service “Cookpad” and other services provided through the Internet media
Domestic recipe service membership sales	Providing part of “Cookpad” functionality for a fee in Japan
Domestic recipe service advertising sales	Selling advertising on “Cookpad” in Japan

(9) Major business locations (as of 31 December 2023)

Cookpad Inc.	Japan: Yokohama, Kanagawa Prefecture UK: Bristol

(10) Employees (as of 31 December 2023)

a) Employees of the Group

No. of employees	Year-on-year change
147 (59)	- 262

(Note) Full-time employees only. For part-timers and temporary employees, the average number over the last year is indicated in parentheses.

b) Employees of the Company

No. of employees	Year-on-year change	Average age	Average duration of service
134 (34)	- 190	35.8	5.4 years

(Note) Full-time employees only. For part-timers and temporary employees, the average number over the last year is indicated in parentheses.

(11) Major lenders (as of 31 December 2023)

Not applicable

2. Shares of the Company's Stock (as of 31 December 2023)

(1) Total number of shares authorised 331,776,000

(2) Total number of shares issued 107,429,400

Including treasury shares (13,961,961 shares)

(3) Number of shareholders 49,174

(4) Major shareholders

Name	Ownership	
	Number of shares held	Percentage
Mr. Akimitsu Sano	46,582,800	49.84%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,394,800	5.77%
The Bank of New York Mellon 140051	1,538,500	1.65%
Custody Bank of Japan, Ltd. (Trust Account)	1,386,300	1.48%
Credit Suisse AG Hong Kong Trust A/C CLIENT	1,301,500	1.39%
Mr. Shuhei Morofuji	800,000	0.86%
SBI Securities Co., Ltd.	777,995	0.83%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	716,753	0.77%
Mr. Joe Hirao	706,900	0.76%
Rakuten Securities, Inc.	638,600	0.68%

(Notes) 1. The percentages have been calculated excluding treasury shares (13,961,961 shares).
2. The percentages are rounded to the nearest hundredth.

(5) Other significant matters concerning shares of the Company's stock
Not applicable

3. Company Officers

(1) Directors and Executive Officers (as of 31 December 2023)

a) Directors

Name	Position and responsibilities	Important concurrent positions
Akimitsu Sano	Director Member of Nominating Committee Member of Compensation Committee	Not applicable
Rimpei Iwata	Director	Not applicable
Tomoya Yasuda	Director	Not applicable
Toru Kitagawa	Director Chair of Audit Committee Chair of Nominating Committee	Outside Director of KOA Corporation Outside Director of KAYAC Inc.
Hirotaka Tanaka	Director Chair of Nominating Committee Member of Audit Committee	Representative Director and CEO of UnloX & Co. Outside Director of BASE FOOD, Inc. Director of SPACE FOODSPHERE Association
Takako Kato	Director Member of Audit Committee	Business Director and Deputy General Manager of Corporate Planning Department of Tokai Carbon Co., Ltd.
Trang Diep Kieu Le	Director Member of Nominating Committee Member of Compensation Committee	President of Vietnam Operations of Harrison-AI Pty Ltd Co-founder of Hestya Inc.

(Notes)
1. Mr. Toru Kitagawa, Mr. Hirotaka Tanaka, Ms. Takako Kato and Ms. Trang Diep Kieu Le are the Company's outside directors provided for in Article 2 (xv) of Japan's Companies Act.
2. Mr. Kitagawa, Chair of the Audit Committee, has considerable expertise in finance and accounting as an ex-Chief Financial Officer/Corporate Officer at Starbucks Coffee Japan, Ltd.
3. The Company has filed registrations of Mr. Kitagawa, Mr. Tanaka, Ms. Kato and Ms. Le as independent officers with the Tokyo Stock Exchange.
4. Mr. Akimitsu Sano is one of the Company's major shareholders.
5. Mr. Sano concurrently serves as an Executive Officer.
6. The Company do not appoint full-time members of the Audit Committee; instead, the Company has full-time audit assistants, who assist the committee with its duties.
7. The following transfers of Directors were made during FY2023:
   Incoming Directors
   Mr. Tomoyasu Yasuda, Ms. Kato and Ms. Le were newly elected at the 19th General Meeting of Shareholders held 29 March 2023 and took office.
   Outgoing Directors
   Ms. Yasuyo Iga left office at the conclusion of the 19th General Meeting of Shareholders held 29 March 2023, when her tenure expired.
8. The Company has entered into agreements with Outside Directors to limit their liabilities stipulated by Article 423 (1) of Japan's Companies Act to the amount specified in Article 425 (1) of Japan's Companies Act.
9. The Company has entered into a directors and officers liability insurance agreement for all Directors with an insurance company under which the insurance policy covers damages, court costs and other expenses that may result from the insured held liable for the performance of their duties, pursuant to Article 430-3 (1) of Japan's Companies Act.
10. The Company has entered into an indemnity agreement with all Directors pursuant to Article 430-2 (1) of Japan's Companies Act, to the effect that the Company will indemnify expenses and losses provided for in Article 430-2 (1) (i) and (ii), respectively, of the said Act, within the scope of relevant laws and regulations.

b) Executive Officers

Name	Position and responsibilities	Important concurrent positions
Akimitsu Sano	Representative Executive Officer	Not applicable
Morio Inukai	Executive Officer	Not applicable
Rebecca Rippin	Executive Officer	Not applicable

(Notes) 1. Mr. Akimitsu Sano concurrently serves as a Director.
2. Mr. Sano is one of the Company's major shareholders.
3. The Company has entered into a directors and officers liability insurance agreement for all Executive Officers with an insurance company under which the insurance policy covers damages, court costs and other expenses that may result from the insured held liable for the performance of their duties, pursuant to Article 430-3 (1) of Japan's Companies Act.
4. Changes in the Company's Executive Officers during FY2023 are as follows.

Name	Resigned on	Position and responsibilities at the time of resignation	Important concurrent positions
Rimpei Iwata	30 Sep. 2023	Representative Executive Officer	Not applicable
Tomoya Yasuda	30 Sep. 2023	Executive Officer	Not applicable
Thomas Melkebeke	30 Sep. 2023	Executive Officer	Not applicable

5. The Company has entered into an indemnity agreement with all Executive Officers pursuant to Article 430-2 (1) of Japan's Companies Act, to the effect that the Company will indemnify expenses and losses provided for in Article 430-2 (1) (i) and (ii), respectively, of the said Act, within the scope of relevant laws and regulations.

(2) Outside Officers

a) Important concurrent positions in other entities and the relationships between the Company and such entities

The important concurrent positions held by the Company's outside officers in other entities are described in Page 19. Each of such entities has no special interest with the Company.

b) Major activities for FY2023

Name	Major activities and duties performed for expected responsibilities
Toru Kitagawa	[Attendance to the meetings of the Board and the Audit Committee] Attended all of the 15 meetings of the Board and all of the 12 meetings of the Audit Committee for FY2023. [Major activities] An ex-Chief Financial Officer/Corporate Officer in charge of strategies, finance, supply chain, etc. at Starbucks Coffee Japan, Ltd., Mr. Kitagawa has vast experience in corporate strategy and finance at multiple B2C brands and has provided us with advice and proposals for our overall business while performing other duties, consequently fulfilling his responsibilities of providing oversight and advice for the Company's business in an appropriate manner.
Hirotaka Tanaka	[Attendance to the meetings of the Board and the Audit Committee] Attended all of the 15 meetings of the Board and all of the 12 meetings of the Audit Committee for FY2023. [Major activities] Having provided strategic consulting in technology, communications and other industries, Mr. Tanaka also has extensive knowledge in the field of foodtech. With such insights, he has provided us with advice and proposals for our overall business while performing other duties, consequently fulfilling his responsibilities of providing oversight and advice for the Company's business in an appropriate manner.
Takako Kato	[Attendance to the meetings of the Board and the Audit Committee] Attended all of the 11 meetings of the Board and all of the 10 meetings of the Audit Committee held after she was appointed on 29 March 2023. [Major activities] Ms. Kato has profound knowledge about administrative operations in general affairs and finance among other fields. With such insights, she has provided us with advice and proposals for our overall business while performing other duties, consequently fulfilling her responsibilities of providing oversight and advice for the Company's business in an appropriate manner.
Trang Diep Kieu Le	[Attendance to the meetings of the Board] Attended all of the 11 meetings of the Board held after she was appointed on 29 March 2023. [Major activities] Ms. Le Gaining has profound knowledge about social communities across internet service companies. With such insights, she has provided us with advice and proposals for our overall business while performing other duties, consequently fulfilling her responsibilities of providing oversight and advice for the Company's business in an appropriate manner.

(3) Total remuneration to Directors and Executive Officers

Position	Total amount of remuneration (Million yen)	Total amount of remuneration by type (Million yen)			No. of eligible persons
		Basic	Performance-based	Other (Non-monetary, etc.)	
Directors <Outside Directors>	48 <30>	47 <30>	-	1 <->	8 <5>
Executive Officers	59	49	-	10	6
Total	108 <30>	96 <30>	-	11 <->	11

(Notes) 1. "Total" of the number of eligible persons differs from the sum of the numbers of eligible Directors and Executive Officers because three persons who concurrently serve in both positions are included in either position with the amount they receive separated accordingly.
2. The Company grants share options to Executive Officers as part of non-monetary remuneration. For details, please refer to "4. Share Options."
3. The total amounts of remuneration received by Directors and Executive Officers of the Group are as shown below.
- Directors (excluding outside directors): 48 million yen
- Executive Officers: 281 million yen

(4) Details on the determination of remuneration to company officers and calculation methods

The Compensation Committee determines the amount of remuneration to each Director or Executive Officer as described below.

a) Directors' remuneration

A Director's remuneration is basically fixed salary and the amount for each Director is determined based on the economic situation, the circumstances around the Company and the Director's duties, also taking into account the frequency of and the time taken for the Director's supervisory activities.

b) Executive Officers' remuneration

An Executive Officer's remuneration consists of fixed salary and share awards, and the amount and the value for each Executive Officer are determined based on the economic situation, the circumstances around the Company and the Executive Officer's duties.

(5) Reason why the Compensation Committee has determined that remuneration and other payments to each of Executive Officers or equivalent officers complies with the policy for determining remuneration

The amount of remuneration and other payments to each of Executive Officers and equivalent officers for FY2023 has been determined based on their fixed salary and share awards as well as their responsibilities. The Compensation Committee has determined that the amount complies with the policy for determining remuneration as the committees had examined the draft proposal from diverse perspectives while checking consistency with the policy.

4. Share Options

(1) Share options granted as consideration for the execution of duties to Directors and Executive Officers and held by them (as of 31 December 2023)

		Share options from the 8th issuance	Share options from the 9th issuance
Date of issuance resolved		15 October 2017	27 July 2018
Moneys to be paid		Payment of 100 yen per share option is required	No payment is required
Holding status	Directors and Executive Officers (excluding Outside Directors)	No. of share options: 19,895 No. of shares to be acquired: 1,989,500 ordinary shares No. of persons holding options: 2	No. of share options: 1,060 No. of shares to be acquired: 106,000 ordinary shares No. of persons holding options: 5
	Outside Directors	No. of share options: 0 No. of shares to be acquired: 0 No. of persons holding options: 0	No. of share options: 0 No. of shares to be acquired: 0 No. of persons holding options: 0
Value of properties contributed in the exercise of share options		75,400 yen per share option (754 yen per share)	47,600 yen per share option (476 yen per share)
Exercise window		From 31 October 2022 through 30 October 2047	From 28 July 2023 through 27 July 2028
Conditions for exercise		(See Appended Note 1)	(See Appended Note 2)

		Share options from the 10th issuance	Share options from the 11th issuance
Date of issuance resolved		13 August 2019	26 March 2020
Moneys to be paid		No payment is required	No payment is required
Holding status	Directors and Executive Officers (excluding Outside Directors)	No. of share options: 490 No. of shares to be acquired: 49,000 ordinary shares No. of persons holding options: 4	No. of share options: 490 No. of shares to be acquired: 49,000 ordinary shares No. of persons holding options: 4
	Outside Directors	No. of share options: 0 No. of shares to be acquired: 0 No. of persons holding options: 0	No. of share options: 0 No. of shares to be acquired: 0 No. of persons holding options: 0
Value of properties contributed in the exercise of share options		30,900 yen per share option (309 yen per share)	34,700 yen per share option (347 yen per share)
Exercise window		From 14 August 2024 through 13 August 2029	From 27 March 2025 through 26 March 2030
Conditions for exercise		(See Appended Note 3)	(See Appended Note 4)

		Share options from the 12th issuance	Share options from the 13th issuance
Date of issuance resolved		25 March 2021	28 March 2022
Moneys to be paid		No payment is required	No payment is required
Holding status	Directors and Executive Officers (excluding Outside Directors)	No. of share options: 850 No. of shares to be acquired: 85,000 ordinary shares No. of persons holding options: 5	No. of share options: 550 No. of shares to be acquired: 55,000 ordinary shares No. of persons holding options: 4
	Outside Directors	No. of share options: 0 No. of shares to be acquired: 0 No. of persons holding options: 0	No. of share options: 0 No. of shares to be acquired: 0 No. of persons holding options: 0
Value of properties contributed in the exercise of share options		32,800 yen per share option (328 yen per share)	30,200 yen per share option (302 yen per share)
Exercise window		From 26 March 2026 through 25 March 2031	From 29 March 2027 through 28 March 2032
Conditions for exercise		(See Appended Note 4)	(See Appended Note 4)

(Appended Note 1)

Conditions for the exercise of share options

a) A holder of share options (“Option Holder”) may exercise as many share options granted as specified below as the percentage of the total (with units of less than one share option discarded) in the period from the date five years after the date following the day when the Option Holder loses their position (the “Beginning Date”) through the date eight years after the Beginning Date, on the condition that operating income stated on any of the Financial Reports (operating income in the Consolidated Income Statements or, if such statements have not been prepared, the Non-Consolidated Income Statements contained in each of the Financial Reports; the same applies hereinafter) filed in the period from the Beginning Date through the date eight years after that date exceeds 15 billion yen.

(1) If the Option Holder loses both positions as Executive Officer and employer of the Company by 30 October 2018 (the end date included, the same applies hereinafter in this section): 20%

(2) If the Option Holder loses both positions as Executive Officer and employer of the Company in the period from 31 October 2018 through 30 October 2019: 40%

(3) If the Option Holder loses both positions as Executive Officer and employer of the Company in the period from 31 October 2019 through 30 October 2020: 60%

(4) If the Option Holder loses both positions as Executive Officer and employer of the Company in the period from 31 October 2020 through 30 October 2021: 80%

(5) If the Option Holder loses both positions as Executive Officer and employer of the Company on or after 31 October 2021: 100%

If the initial concept of the operating profit to be referred to has changed materially due to the changes to the Company’s fiscal year or IFRS or other causes, the Board of Directors (the “Board”) shall separately set a new threshold

b) In the event of death of the Option Holder, only a person who has been designated as heir or bequeathee of the Option Holder in the separate share option allotment agreement signed between the Option Holder and the Company based on the resolution passed by the Board may exercise the share options within the scope of rights granted to the Option Holder.

c) In the event where the exercise of share options would cause the number of outstanding shares of the Company's stock to exceed the number of shares authorised to be issued by the Company, the Option Holder may not exercise share options.
d) The Option Holder may not exercise any fraction less than one share option.
e) Other conditions shall be governed by the separate share option allotment agreement signed between the Option Holder and the Company based on the resolution on the issuance of share options passed by the Board.

(Appended Note 2)
Conditions for the exercise of share options

a) The Option Holder needs to be in the position of director, executive officer, auditor or employee of the Company or one of them of its subsidiaries or their important contractors at the time of exercise of the share options. This does not apply, however, to those who have left their positions reasonably as approved by the Board, such as retirement at the end of their term, mandatory retirement, death or employment transfer.
b) In the event of death of the Option Holder during the Exercise Window, the heir of the Option Holder may exercise the share options within the scope of rights granted to the Option Holder by following the procedures set out by the Company within a year after the commencement of inheritance on the condition that the Option Holder had not been on leave of absence since before the start of the exercise window. The heir of the heir of the Option Holder may not inherit the share options.
c) The Option Holder may exercise share options only if the Option Holder has achieved the requirements set out in the separate allotment agreement signed between the grantee and the Company, within the time limit prescribed in the agreement. If the number of share options that the Option Holder is entitled to exercise includes units of less than one share option, the said units will be discarded.
d) For other conditions, those described in c), d) and e) in Appended Note 1 apply.

(Appended Note 3)
Conditions for the exercise of share options

a) The Option Holder needs to be in the position of director, executive officer, auditor or employee of the Company or one of them of its subsidiaries at the time of exercise of the share options. This does not apply, however, to those who have left their positions reasonably as approved by the Board, such as retirement at the end of their term, mandatory retirement, death or employment transfer.
b) In the event of death of the Option Holder during the Exercise Window, the heir of the Option Holder may exercise the share options within the scope of rights granted to the Option Holder by following the procedures set out by the Company within a year after the commencement of inheritance on the condition that the Option Holder had not been on leave of absence since before the start of the exercise window. The heir of the heir of the Option Holder may not inherit the share options.
c) The Option Holder may exercise share options only if the Option Holder has achieved the requirements set out in the separate allotment agreement signed between the grantee and the

Company, within the time limit prescribed in the agreement. If the number of share options that the Option Holder is entitled to exercise includes units of less than one share option, the said units will be discarded.

d) For other conditions, those described in c), d) and e) in Appended Note 1 apply.

(Appended Note 4)

Conditions for the exercise of share options

a) The Option Holder needs to be in the position of director, executive officer, auditor or employee of the Company or one of them of its subsidiaries at the time of exercise of the share options. This does not apply, however, to those who have left their positions reasonably as approved by the Board, such as retirement at the end of their term, mandatory retirement, death or employment transfer.

b) In the event of death of the Option Holder during the Exercise Window, the heir or the statutory agent of the Option Holder may exercise the share options within the scope of rights granted to the Option Holder by following the procedures set out by the Company within a year after the death of the Option Holder on the condition that the Option Holder had not been on leave of absence since before the start of the exercise window.

c) The Option Holder may exercise share options only if the Option Holder has achieved the requirements set out in the separate allotment agreement signed between the Option Holder and the Company, within the time limit prescribed in the agreement. If the number of share options that the Option Holder is entitled to exercise includes units of less than one share option, the said units will be discarded.

d) For other conditions, those described in c), d) and e) in Appended Note 1 apply.

(2) Share options granted as consideration for the execution of duties to employees in FY2023

Not applicable

5. Independent Auditor

(1) Name of the independent auditor

KPMG AZSA LLC

(2) Amount of remuneration to the independent auditor for FY2023

a) Remuneration to the independent auditor for FY2023

38 million yen

b) Aggregate amount of cash and other benefits to be paid by the Company and its subsidiaries

38 million yen

(Notes) 1. The audit agreement between the Independent Auditor and the Company does not distinguish between the remuneration for auditing services under Japan's Financial Instruments and Exchange Act and Japan's Companies Act, and it is practically impossible to distinguish them. Therefore, the amount of remuneration to be paid to the independent auditor for FY2023 is the aggregate amount of the aforementioned remunerations.

2. Reasons why the Audit Committee has consented to the independent auditor's remuneration
The Audit Committee reviewed and examined the audit time for each audit item, the trend in the remuneration for auditing services, and the audit plan and its progress for FY2023 according to the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. Based on the results of the validation on the audit time and the remuneration, the committee has given consent to the remuneration to the Independent Auditor prescribed in Article 399 (1) of Japan's Companies Act.

(3) Details of non-audit services provided by the independent auditor

The Company does not commission the independent auditor to provide services out of the scope of the audit certification services stipulated by Article 2 (1) of Japan's Certified Public Accountant Act.

(4) Policies for determining dismissal or non-reappointment of the independent auditor

In the event that the Audit Committee decides that it should reasonably dismiss or cancel appointment of the independent auditor for internal reasons or based on the examination on the matter after the committee has observed that the independent auditor has violated or infringed on Japan's Companies Act, Japan's Certified Public Accountant Act or any other law or regulation or has acted against public policy, the committee will request the Board to bring the proposal on the dismissal or non-reappointment of the independent auditor before the General Meeting of Shareholders and the Board will deliberate the request.

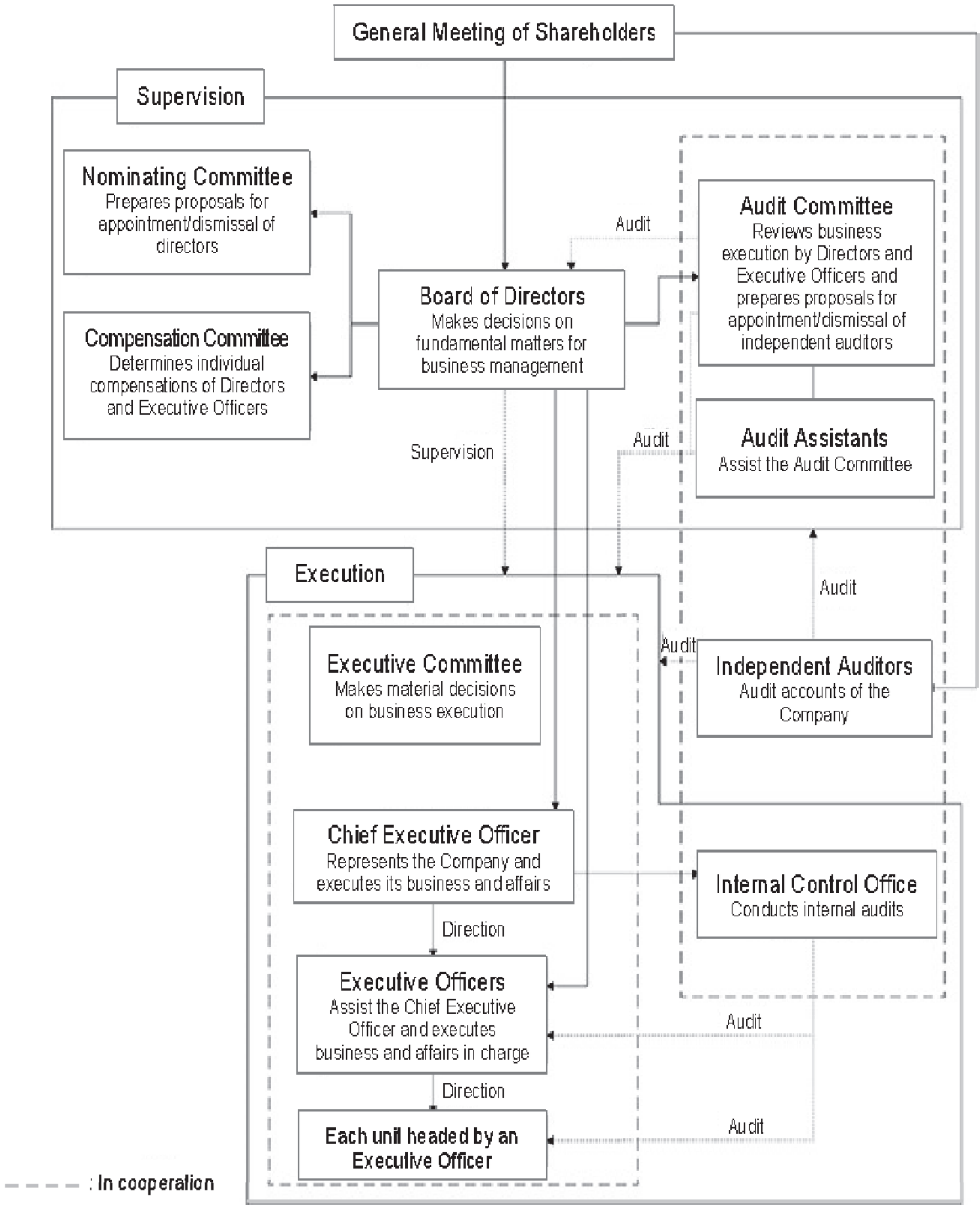
(5) Outline of the liabilities limitation agreement

The Company has entered into an agreement with the independent auditor pursuant to Article 423 (1) of Japan's Companies Act to limit their liabilities to the minimum amount specified in relevant laws and regulations.

6. System for Ensuring Proper Business Operation and How It Is Operated

The Company's approach to corporate governance

<The Company's Corporate Governance System> (as of 31 December 2023)



The Company has decided to introduce systems for ensuring Executive Officers execute their duties in compliance with laws and regulations and the Articles of Incorporation and other systems including the one stipulated by ordinances of the Ministry of Justice for ensuring proper business operations of the business group consisting of the Company and its subsidiaries as described below.

(1) Systems for ensuring that Directors and the Company's employees execute their duties in compliance with laws and regulations and the Articles of Incorporation

A. Compliance system

a) The Company builds and develops a system for ensuring compliance with laws and regulations relevant to its business activities, the Articles of Incorporation and its internal regulations ("Laws and Regulations") in accordance with the Rules on Internal Control laid down by the Board of Directors.

b) The Company persistently undertakes educational initiatives and provides training programs for personnel to raise awareness of compliance, reinforcing its compliance system.

B. Internal hotline for compliance

The Company establishes an internal hotline for compliance to detect and correct as early as possible issues concerning noncompliance to Laws and Regulations.

C. Auditing

a) The Chief Executive Officer establishes the Internal Control Office, which conducts internal regular audits and promptly reports the results to the Audit Committee.

b) The Audit Committee reviews as an independent body the business activities undertaken by Executive Officers while evaluating the structure and operations of the internal control system.

D. Other

a) The Company takes appropriate disciplinary decisions on officers' and employees' violations of Laws and Regulations in accordance with internal regulations such as the Rules of Employment and the Rules for the Disciplinary Committee.

b) The Company develops and operates an appropriate internal control system in accordance with Laws and Regulations including Japan's Financial Instruments and Exchange Act in order to ensure reliability of its financial reports and make timely, proper disclosures required by Laws and Regulations.

c) The Company has established the Rules for Excluding Antisocial Forces to stand firmly against and eliminate associations with antisocial forces, screening all new suppliers and service providers in accordance with the rules.

(2) System for storing and managing information related to the execution of duties by Directors

A. Executive Officers properly keep and manage documents and other information related to their execution of duties in accordance with Laws and Regulations while establishing and developing internal regulations including the Rules on Document Management.

B. Such information should be available to Directors when needed.

(3) Rules or any other systems of the Company for managing the risk of loss

A. Striving to ensure that users enjoy our services without worries, the Company prioritises earning and maintaining users' trust in its risk management.

B. The Board of Directors, with the majority comprising outside directors, sufficiently examines the risk of loss in making material business decisions.

C. The Risk Management Committee specifies the unit in charge for each risk to clearly understand and manage risks associated with business execution. With a view to reducing and preventing such risks, the committee thoroughly and comprehensively identifies them, and then conducts analyses and evaluations to prevent and prepare for their materialisation while reporting the state of risk management to the Chief Executive Officer and the Board of Directors in a timely manner.

D. The Company is committed to developing and reinforcing its information security system based on the Basic Rules of Information Security. We operate the information security management system (ISMS) which have been certified to the global ISMS standards.

E. In the event of a material business risk arising, the Company immediately organises an emergency risk management office headed by the Chief Executive Officer to control the risk early.

F. The Audit Committee and the Internal Control Office review the effectiveness of the Company's risk management system.

(4) System for ensuring efficient execution of duties by Executive Officers

A. Executive Officers perform their duties assigned by the Board of Directors in the scope determined by the board. They take regular decisions in accordance with the Rules on the Segregation of Powers, which specify different settlement procedures for matters with varying materiality and risk.

B. The Company sets major business goals and periodically reviews its progress with annual objectives also set for each unit and with the results managed.

(5) Other systems including one for ensuring proper business operations of the business group consisting of the Company and its subsidiaries

A. Systems for reporting matters to the Company concerning the execution of duties by subsidiaries' directors

a) The Company builds and develops a system where subsidiaries report financial results on a regular basis as well as their material decisions when they are made in order to ensure proper management of subsidiaries in accordance with the Rules on Affiliate Management.

b) In the event of a subsidiary's material violation of Laws and Regulations in its business activities or a risk of that arising, officers and employees of the subsidiary, in principle, shall immediately give a briefing to the Company in a manner specified by the Company, in accordance with the Rules on Internal Control.

B. Rules for managing the risk of loss incurred by subsidiaries and other related systems

a) The Company has set up the Rules on Internal Control for the entire Group, where the Company requires subsidiaries to perform risk management as needed and manages the risk for the entire Group comprehensively and collectively.

b) The Company manages the risk for the entire Group including subsidiaries with the Risk Management Committee, which deliberates on issues and measures to take for the promotion of group risk management.

c) The Company strives to establish and develop s system for efficiently discussing, sharing information, and communicating instructions and requests with managers of the risk management units at subsidiaries.

d) When notified of a risk arising with business activities at a subsidiary, the Risk Management Committee immediately organises an emergency risk management office headed by the Chief Executive Officer to control the risk early, pursuant to the Rules on Internal Control.

C. Systems for ensuring efficient execution of duties by subsidiaries' directors

a) The Company has set up the Rules on Affiliate Management to help the Group to conduct business in a proper, efficient manner while respecting autonomy and independence of subsidiaries' management.

b) The Company requires each subsidiary to build the chain of command, the authority delegation system, the decision-making system and other organisational systems, according to the subsidiary's business and size.

c) For the management of subsidiaries, the Company dispatches officers to guide and develop them.

d) The Company provides legal and other back-office functions for subsidiaries as required to build an efficient executive system.

e) The Company approves subsidiaries' mid-term business plans and then sets major business goals based on the plans, periodically reviewing their progress with annual objectives also set for each subsidiary and with the results managed.

D. Systems for ensuring that the execution of duties by subsidiaries' directors and employees complies to laws and regulations as well as the Articles of Incorporation

a) The Company builds and develops a system for ensuring legitimate and fair business activities by subsidiaries' directors and employees, in accordance with the Rules on Internal Control.

b) The Company persistently undertakes educational initiatives and provides training programs to raise awareness of compliance, reinforcing the entire Group's compliance system.

c) The Company, in principle, makes an internal hotline for compliance available to subsidiaries to detect and correct as early as possible their issues concerning noncompliance to Laws and Regulations.

d) The Company dispatches Directors and/or auditors to subsidiaries to clearly understand how operations are performed and conducts internal audits of major subsidiaries to ensure proper operations.

E. Directors and the Company's employees to assist duties of the Company's Audit Committee

a) The Audit Committee may have employees of the Company as Audit Assistants, who assist the committee with its duties, although the committee may not have Directors as Audit Assistants.

b) Audit Assistants shall only report to the Audit Committee when assisting the committee with its duties. To ensure their independence from Executive Officers, the Audit Committee may appoint and dismiss employees as Audit Assistants.

c) To ensure the effectiveness of Audit Assistants' directions, the Company provides them with opportunities to attend the meetings of the Board of Directors, the Executive Committee and the Risk Management Committee.

F. Systems for providing reports to the Audit Committee

a) Executive Directors shall periodically provide reports to the Audit Committee via the Board of Directors regarding how they have performed their duties and attend an Audit Committee meeting as requested by the committee to give a briefing. In the event of an Executive Officer finding a risk of material loss incurred by the Company arising, the Executive Officer shall immediately inform the Audit Committee of the risk.

b) Subsidiaries' officers shall attend an Audit Committee meeting as requested by the committee to give a briefing on how they have performed their duties. In the event of an officer of a subsidiary finding a risk of material loss incurred by the Group arising, the officer shall immediately inform the Audit Committee of the risk via the Risk Management Committee and the Board of Directors. Audit Assistants shall periodically give a briefing to members of the Audit Committee regarding the current status of the compliance and risk management at subsidiaries.

c) The Company prohibits its officers and employees from unfairly treating its officers and employees who have provided reports to the Audit Committee on account of such reports. We ensure that the Group's officers and employees will be informed of such prohibition with measures such as incorporating the practice in the Rules on Internal Integrity Reporting and the Rules on Internal Control.

G. Other systems for ensuring effectiveness of the Audit Committee

a) The Audit Committee should enhance the effectiveness of its performance by utilising internal audits and cooperating with the units in charge of internal audits in addition to conducting its own reviews.

b) The Audit Committee should be informed of internal audit plans in advance and, if necessary, requests changes to the plans. The Audit Committee oversees internal audits while periodically conducting its own reviews on operations including internal audits.

c) The Audit Committee oversees accounting practices in close coordination with independent auditors through periodical exchanges of information and opinions or other forms of discussion.

d) When an Audit Committee member requests advance payment, reimbursement or settlement of expenses incurred or to be incurred for the execution of duties by the member, the Company accepts the request except in cases where it can be proved that the expenses have not been or will not be incurred because of the execution of duties by the member.

How the systems described above were operated in FY2023 is described below.

(1) Compliance

- The Company operated an internal reporting scheme which duly protects whistle-blowers in accordance with the rules on internal integrity reporting with an employee and an external lawyer serving as a contact for the internal and external hotlines, respectively.
- The Company provided e-learning programs for all new employees to prevent insider transactions in accordance with the Rules on Insider Trading Management.
- The Company reviewed compliance by each unit with the internal audit conducted by the Internal Control Office every month in accordance with the Rules on Internal Audit and sought to improve the situation when necessary.

(2) Risk management

- The Board fully examined the possibility of making loss in taking material business decisions.
- The Company set up the Risk Management Committee consisting of the Chief Executive Officer and other members selected by the Chief Executive Officer in accordance with the Rules on Internal Control to identify and evaluate risks for the Company.
- The Company passed the audits for the maintenance of ISMS, a global standard for information security management, in accordance with the Rules on Information Security Management.
- The Company grasped and reviewed business risk for each unit with the internal audit conducted by the Internal Control Office every month in accordance with the Rules on Internal Control and sought to improve the situation when necessary.

(3) Management of subsidiaries' business

- Unlisted subsidiaries of the Company are required to obtain a prior approval from the authoriser specified in the Rules on Affiliated Company Management in order to takes material business decisions, in accordance with the said Rules. Those unlisted subsidiaries gave monthly briefings on their financial and other situations to the Company pursuant to the said Rules.

(4) Audit committee

- The Audit Committee held meetings more frequently than quarterly to examine the Company's operation with audit assistants giving briefings and, when necessary, explanations about details, also providing opportunities for its members to exchange information and opinions.
- The Audit Committee enhanced the effectiveness of audit by coordinating with the Internal Control Office to receive briefings on audits conducted by the office and direct the office on auditing in addition to conducting its own reviews.
- The Audit Committee oversees accounting practices in close coordination with independent auditors through a quarterly meeting where independent auditors give briefings and, when necessary, explanations about details, while the committee exchanges information and opinions with them.

7. Basic Policies on Control of the Company

The Board resolved to adopt measures against acquisition of a substantial number of shares of our stock (or anti-takeover measures, hereinafter the "Plan") at the meeting held on 24 December 2021, as part of its initiatives to prevent a party deemed to be inappropriate based on the Basic Policy on Those Who Control Decisions on Company's Financial or Business Policies (the "Basic Policy"), established by the Board at the same meeting, from controlling the Company's decisions on its financial and business policies. It should be noted that the actions outlined in (2) B, sought after at the time of the Board's resolution, may no longer be applicable at the time of preparation of this document.

(1) Outline of our basic policy on those who control decisions on our financial or business policies

As a publicly traded company, we respect the free trade of shares of our stock in the market and do not prevent acquisition of a substantial number of shares of our stock by a certain party ("Large-Scale Share Acquisition") if such acquisition helps to protect or enhance the corporate values of the Group and thus the common interests of our shareholders. We believe it is our shareholders who should eventually decide whether to accept or reject a Large-Scale Share Acquisition offer.

Some offers of Large-Scale Share Acquisition, however, may reduce the Group's value and thus the common interests of our shareholders by, for instance, undermining our relationship with stakeholders, undervalue the Group, or fail to provide information sufficient for our shareholders to take final decisions.

We believe that if there is a risk of Large-Scale Share Acquisition hindering us from enhancing the Group's corporate values or maximising the common interests of our shareholders, such as in a case where such acquisition may be detrimental to the sources of the Group's value on a mid or long-term basis, we should deem the potential acquirer of a substantial number of shares of our stock ("Acquirer") to be inappropriate as a party who controls the decisions on our financial and/or business policies and the Board, as a body responsible for business management with fiduciary duty to take due care of the company, obviously needs to take actions in order to maximise the Group's corporate values and the common interests of our shareholders, to the extent permissible by relevant laws and regulations and our Articles of Incorporation.

(2) Special Actions for Implementing the Basic Policy

A. Businesses and the mission of the Group

With its mission to "Make everyday cooking fun!" articulated in Article 2 of the Articles of Incorporation, the Group operates the "Cookpad" platform to provide services for posting and searching for cooking recipes as our principal business. To deliver on this mission, the Group strives to, from the perspective of cooking, find, consider and solve various problems people, society and this planet currently have, redefining "affluence" and helping people to create it. This is the Group's basic policy for corporate management.

B. Actions for enhancement of corporate values

"Cookpad" has grown into a service broadly recognised in Japan as a platform to help answer the everyday question of "What should I cook today?" with the help of posts from users.

To achieve our mission to "Make everyday cooking fun!" however, we believe we need to solve various problems society and the earth have because good cooking makes for better health and in turn an affluent society and a better future for the planet. This idea highlights the necessity for us to increase the number of “creators involved in cooking” and make our mission possible.

The Group has marked the period of ten years from 2017 as an investment phase, taking actions to enhance the corporate values and maximise the shareholder value while setting the following three goals.

a) Make our service genuinely global

The everyday question of “What should I cook today?” is not specific to Japan but asked across the globe. At this time, “Cookpad,” our platform for posting and searching for recipes is used in 74 countries in 32 languages.

In the belief that cooking-related issues are universal and that it is vital that the number of “creators involved in cooking” should increase to deliver on our mission, we aim to help solve such issues and ensure that our service is not dedicated to a specific country but used globally.

b) Render our service not only useful but also fun and enjoyable

While we have secured a dominating position in the Japanese market with “Cookpad,” which is seen as a simple and useful platform where users can find recipes easy enough to make at home, we still believe that “making cooking fun and enjoyable” is a quick route to having more home cooks for our mission and the key to driving more people to be involved in cooking.

c) Transition from a recipe site operator into a cooking-related service provider

Sharing recipe ideas helps answer the question of “What should I cook today?” but cooking involves more than that, including the production, distribution and purchase of food. We strive to solve material issues arising somewhere in the entire process leading to dishes, going beyond just providing a recipe service.

C. Enhancing corporate governance

a) Basic views on corporate governance

As a group of companies providing services related to cooking, the Group believes public trust is fundamental to its business and therefore strives to maintain trustworthiness in order to build corporate values on it. This belief has led to a recognition that it is vital for the Group to develop systems for timely, appropriate corporate governance and ensure transparency and efficiency of management at all times.

b) Overview of the corporate governance system and why we adopted it

To maintain society’s trust, in addition to above [1], it is also essential that the Group should consistently enhance its corporate values. In light of this, the Company recognised the need to build a system that separates the supervisory and executive functions for the most effective management and transitioned to a Company with the Three Board Committees via a resolution at the General Meeting of Shareholders held on 24 July 2007. The Board, with the majority comprising outside directors, delegates substantial authority to executive officers and supervises as an independent body the performance of executive officers, thus achieving the balance between “dynamic, flexible business execution” and “timely, appropriate supervision.” This structure for the best decision-making ensures appropriate corporate management and having the three board committees, with the majority of each comprising outside directors, further ensures the “separation of supervisory and executive functions.”

The Company’s corporate governance system for making decisions regarding the execution of business, auditing and supervision, nominations, remuneration and other matters is described below.

♦ Board of Directors

The Company’s Board of Directors, consisting of seven directors of the Company (“Directors,” including four outside directors), determines basic policies on business management and, delegating substantial authority to executive officers of the Company ("Executive Officers"), supervises business execution by the Executive Officers.

♦ Three Board Committees

1. Audit Committee

The Audit Committee consists of three outside directors, whom the Company has appointed in the belief that a team of outside directors with different expertise can review the Company's business management from multiple, diverse perspectives. The matters to be discussed at the Audit Committee include the status of review and oversight of business execution by Directors and Executive Officers as well as proposals for appointment and dismissal of independent auditors to be presented to the General Meeting of Shareholders. Audit assistants, functioning as the bureau of the committee, inform meeting attendees of matters to be discussed in advance and send relevant materials to absent members for prompt, proper operation of the committee.

2. Nominating Committee

The Nominating Committee consists of three Directors including two outside directors. Outside directors shall represent the majority to ensure proper nomination. The matters to be discussed at the Nominating Committee include proposals for appointment and dismissal of directors to be presented to the General Meeting of Shareholders. The bureau of the committee in the Personnel Division informs meeting attendees of matters to be discussed in advance and sends relevant materials to absent members for prompt, proper operation of the committee.

3. Compensation Committee

The Compensation Committee consists of three Directors including two outside directors. Outside directors shall represent the majority to ensure proper remuneration and fair evaluation of business execution from a supervisory viewpoint. The matters to be determined at the Compensation Committee include basic policies on remuneration for Directors and Executive Offices, the individual amounts of compensations and specific calculation methods. The bureau of the committee in the Personnel Division informs meeting attendees of matters to be discussed in advance and sends relevant materials to absent members for prompt, proper operation of the committee.

♦ Executive Officers

Executive Officers make resolutions or decisions on matters concerning business execution in accordance with basic policies formulated by the Board.

♦ Auditing System

The Audit Committee, Audit Assistants and internal auditors develop the Company's auditing system in cooperation with external auditors and legal advisors. For the details of the Company's corporate governance regime, please refer to the Corporate Governance Report of the Company (https://info.cookpad.com/en/ir/management_index/governance/).

(3) Actions for Preventing Parties Deemed to Be Inappropriate Based on the Basic Policy from Controlling the Company's Decisions on Financial and Business Policies

The Board resolved to adopt this Plan at the meeting held on 24 December 2021, as part of its initiatives to prevent a party deemed to be inappropriate based on the Basic Policy on Those Who Control Decisions on Company's Financial or Business Policies from controlling the Company's decisions on its financial and business policies. The Plan came into effect on 24 December 2021, and obtained shareholder approval of the adoption of the Plan at the 18th General Meeting of Shareholders, held on 25 March 2022. For details of the anti-takeover measures, please visit the Company's website (https://info.cookpad.com/en/ir/) and find the full version of the document.

In light of the Basic Policy described in (1) above, we decided that we need to have a scheme to prevent a party deemed to be inappropriate based on the Basic Policy by requesting the Acquirer to provide in advance necessary information on the Large-Scale Share Acquisition and give us time to consider its proposal and negotiate with it so that our shareholders can take proper decisions concerning its proposal, while presenting our proposal for the implementation of measures against the Large-Scale Share Acquisition that the Board has developed in consideration of recommendations from the Independent Committee or alternative proposals to replace the Acquirer's proposal for takeover, business development or other plans or negotiating with the Acquirer on behalf of our shareholders. As part of such initiatives, we have concluded that we need to introduce anti-takeover measures.

The Plan contains the rules to be followed by Acquirers and has been designed to show them the possibility of their suffering damage from countermeasures taken by the Company under certain circumstances and warn of this possibility Acquirers who contribute to neither the Group's corporate values nor the common interests of the Company's shareholders through appropriate disclosure.

(4) Decisions by the Board on the above initiatives and the reasons for them

The Plan described in (3) above complies with the Basic Policy described in (a) above as it enables the Company's shareholders to take informed decisions on whether to accept or reject a Large-Scale Share Acquisition offer when a proposal for such acquisition is presented and the Board to secure time and information needed to present alternative proposals to replace the Acquirer's proposal and negotiate with the Acquirer on behalf of our shareholders in order to protect and enhance the Group's corporate values and the common interests of the Company's shareholders. It is reasonable to state that the Plan is highly rational as the Plan satisfies the three principles provided in the "Guidelines Regarding Takeover Defence for the Purposes of Protection and Enhancement of Corporate Values and Shareholders' Common Interest" jointly published by the Ministry of Economy, Trade and Industry (METI) and the Ministry of Justice, and is based on the "Takeover Defence Measures in Light of Recent Environmental Changes" published by the Corporate Values Study Group, established within METI, "Principle 1-5. Takeover Defence Measures" of Japan's Corporate Governance Code introduced by the Tokyo Stock Exchange, and other guidelines based on practice and debates on anti-takeover measures. Additionally, we obtained shareholder approval of the adoption of the Plan at the 18th General Meeting of Shareholders, held on 25 March 2022. Even after approved by shareholders, if a resolution to abolish the Plan is adopted by the Board consisting of Directors elected at a General Meeting of Shareholders of the Company, the Plan shall be immediately abolished. In cases where the Acquirer has followed the procedures prescribed in the Plan, the Company shall convene the General Meeting of Shareholders to survey their intention as to whether the Company should take countermeasures. We will also set up the Independent Committee, consisting only of parties independent of the Company's senior executives in charge of business execution, with a view to precluding arbitrary decisions by the Board and ensuring objectivity and reasonableness of its decisions and responses. Before resolving to or not to take anti-takeover measures, the Board must fully respect recommendations from the Independent Committee. Furthermore, the Company requires the overview of the Independent Committee's decisions to be disclosed to the Company's shareholders and investors in accordance with relevant laws and regulations, has reasonable and objective requirements for triggering the Plan, and ensures that the Plan is not for dead-hand or slow-hand anti-takeover measures in order to secure transparency of the committee's operation and in turn help enhance the Group's corporate values and the common interests of the Company's shareholders.

For the reasons above, the Board concludes that the anti-takeover measures are neither against the common interests of the Company's shareholders nor for protecting the position of Directors.

8. Policies for deciding dividends out of surplus

To focus on building the foundation for further growth, the Company has a policy of not distributing dividends from retained earnings, prioritising investment for business expansion through business development, user base boosting and better branding over other uses of profits earned from its business activities.

Accordingly, the Company decided not to pay dividends for FY2023.

Consolidated Statements of Financial Position

(As of 31 December 2023)

(Thousands of yen)

Assets		Liabilities	
Current assets	13,918,294	Current liabilities	751,424
Cash and cash equivalents	12,023,485	Lease obligations	211,856
Trade and other receivables	1,207,728	Trade and other payables	463,984
Other financial assets	366,132	Other financial liabilities	42,415
Inventories	11,506	Income tax payable	13,994
Other current assets	309,442	Other current liabilities	19,176
Non-current assets	679,361	Total current liabilities	118,332
Property, plant and equipment	195,722	Lease obligations	72,292
Intangible assets	78,347	Provisions	39,095
Other financial assets	265,220	Other non-current liabilities	6,945
Deferred tax assets	140,072	Total liabilities	869,756
		Equity	
		Equity attributable to shareholders of the Company	13,727,899
		Capital stock	5,286,015
		Capital surplus	7,014,416
		Retained earnings	3,268,637
		Treasury shares	(3,313,350)
		Other components of equity	1,472,182
		Total equity	13,727,899
Total assets	14,597,655	Total equity and liabilities	14,597,655

(Note) The amounts are rounded to the nearest thousand yen.

Consolidated Income Statements

(From 1 January 2023 through 31 December 2023)

(Thousands of yen)

Account	Amount
Sales revenue	7,607,325
Cost of sales	(316,874)
Gross profit	7,290,451
Selling, general and administrative expenses	(10,108,535)
Other income	416,152
Other expense	(397,913)
Operating loss	2,799,845
Financial income	425,547
Financial expense	(5,624)
Loss before tax	2,379,922
Income tax expense	150,916
Net loss	2,229,005
Profit attributable to:	
Shareholders of the Company	2,229,005
Net loss	2,229,005

(Note) The amounts are rounded to the nearest thousand yen.

Consolidated Statements of Changes in Equity

(From 1 January 2023 through 31 December 2023)

(Thousands of yen)

	Equity attributable to shareholders of the Company				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity
Balance as of 1 Jan. 2023	5,286,015	7,146,652	5,501,550	(735,054)	552,839
Net loss	-	-	(2,229,005)	-	-
Other comprehensive income	-	-	-	-	942,661
Total comprehensive income	-	-	(2,229,005)	-	942,661
Share-based payment transaction	-	-	-	-	(27,226)
Transfer from other components of equity to retained earnings	-	-	(3,908)	-	3,908
Acquisition of treasury shares	-	(132,236)	-	(2,578,296)	-
Total transactions with shareholders and others	-	(132,236)	(3,908)	(2,578,296)	(23,318)
Balance as of 31 Dec. 2023	5,286,015	7,014,416	3,268,637	(3,313,350)	1,472,182

		Total equity
	Equity attributable to shareholders of the Company	
Balance as of 1 Jan. 2023	17,752,001	17,752,001
Net loss	(2,229,005)	(2,229,005)
Other comprehensive income	942,661	942,661
Total comprehensive income	(1,286,345)	(1,286,345)
Share-based payment transaction	(27,226)	(27,226)
Transfer from other components of equity to retained earnings	-	-
Acquisition of treasury shares	(2,710,532)	(2,710,532)
Total transactions with shareholders and others	(2,737,758)	(2,737,758)
Balance as of 31 Dec. 2023	13,727,899	13,727,899

(Note) The amounts are rounded to the nearest thousand yen.

Notes to the Consolidated Financial Statements

1. Notes to the Basis of Preparation of the Consolidated Financial Statements and Other Important Matters

(1) Basis of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements of the Group are prepared in accordance with the second sentence of Article 120 (1) of the Regulation on Corporate Accounting, which allows the Company to prepare consolidated financial statements with the omission of certain disclosures required under International Financial Reporting Standards (IFRS).

(2) Scope of consolidation

Number of consolidated subsidiaries:	5
Major consolidated subsidiaries:	Cookpad Limited
	Cookpad Spain, S.L.
	PT COOKPAD DIGITAL INDONESIA

Changes in number of subsidiaries

Removal: 12 (due to merger or liquidation)

(3) Fiscal years of consolidated subsidiaries

The fiscal year of Cookpad India Technologies Private Limited ends on 31 March every year. For the Consolidated Financial Statements, the accounts of the subsidiary are provisionally closed as of the consolidated account closing date to prepare preliminary financial statements. The fiscal years of the other consolidated subsidiaries end on the consolidated account closing date.

2. Important Accounting Policies

(1) Financial instruments

a) Financial assets

(i) Initial recognition and measurement

The Group initially recognises trade and other receivables on the date when they arise and other financial assets when the Group becomes a party to the contract.

Financial assets are classified as financial assets measured at fair value through profit or loss or other comprehensive income or financial assets measured at amortised cost at initial recognition. This classification continues to apply thereafter.

Except for financial assets measured at fair value through profit or loss, financial assets (excluding trade receivables without material financial element) are initially measured at fair value, plus transaction costs. Trade receivables without material financial element are initially measured at transaction price.

Financial assets are classified as financial assets measured at amortised cost if both of the following conditions are met:

- The financial assets are held for a business model the objective of which is to hold the financial assets and collect contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are

solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortised cost are classified as financial assets measured at fair value. Except for equity financial instruments held primarily for capital gain to be measured at fair value through net profit or loss, the measurement method is selected for each equity financial instrument measured at face value from between measurement through profit or loss and measurement through other comprehensive income after irrevocably choosing inclusion of subsequent changes in the fair value in other comprehensive income, and then the same selection continues to apply thereafter.

(ii) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as described below.

Financial assets measured at amortised cost are measured at amortised cost using the effective interest method.

The changes in the fair value of financial assets measured at fair value are recognised in net profit or loss. For equity financial instruments for which measurement at fair value through other comprehensive income has been selected, however, the changes in the fair value are recognised in other comprehensive income. Dividends from these financial assets are recognised as part of financial income in profit or loss for the fiscal year.

(iii) Impairment of financial assets

The Group recognises allowance for doubtful accounts for expected credit losses on financial assets measured at amortised cost. At the each of fiscal year, we make assessment on whether the credit risk of financial assets has increased significantly since initial recognition. If the increase of the credit risk of financial assets is insignificant, we recognise the allowance for doubtful accounts for financial assets at an amount equal to the 12-month expected credit losses. If the increase of the credit risk of financial assets is significant, we recognise the allowance for doubtful accounts for the financial assets at an amount equal to the lifetime expected credit losses. However, we always recognise the allowance for doubtful accounts at an amount equal to the lifetime expected credit losses for trade receivables without material financial element.

When making assessment on credit risk, we consider the following matters:

・Number of days past the due date

・Business performance of the debtor

Expected credit losses are measured as the present value of the difference between contractual cash flows to be received by the Group based on the agreement and all cash flows expected to be actually received by the Group.

Any financial assets deemed to be non-performing in such cases where payment or repayment is significantly overdue despite enforcement activities and where the debtor has filed for bankruptcy, corporate reorganisation, civil rehabilitation, special liquidation or other legal claims are classified as credit-impaired financial assets. If collection of all or part of contractual cash flows from a financial asset cannot be reasonably expected, the group directly writes down the carrying amount of the asset.

(iv) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party. If the Group continues to hold control over the transferred asset, it recognises the asset and associated liabilities in the scope of the continued interest.

b) Financial liabilities

(i) Initial recognition and measurement

The Group initially recognises financial liabilities when the Group becomes a party to the contract.

Financial liabilities are classified as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortised cost at initial recognition. This classification continues to apply thereafter.

Whereas financial liabilities are initially measured at fair value, financial liabilities measured at amortised cost are measured less directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities are measured based on the classification as described below.

Financial assets measured at amortised cost are measured at amortised cost using the effective interest method.

In the event of discontinuation of amortisation and recognition using the effective interest method, the consequent gain or loss is recognised as part of financial expenses in profit or loss for the fiscal year.

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations are met or debt is discharged or cancelled or expires.

(2) Inventories

Inventories, consisting of merchandise and supplies, are evaluated at the lower of the historical cost (mainly based on the specific identification or first-in, first-out method) or the net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(3) Property, plant and equipment

The Group measures property, plant and equipment on a historical cost basis, less accumulated depreciation and accumulated impairment losses.

The historical cost includes costs directly attributable to the acquisition of the asset.

Assets in this category are depreciated using the straight-line method over the estimated useful life of each asset. The estimated useful lives of major components of this category are as follows:

・Buildings and structures : 2 to 6 years

・Tools, furniture and fixtures : 3 to 15 years

The estimated useful lives, residual values and depreciation methods of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

(4) Intangible assets

Other intangible assets

Intangible assets acquired separately are measured at the historical cost at initial recognition. Intangible assets other than goodwill are amortised using the straight-line method over their estimated useful lives, except for those with indefinite useful lives, and stated at the historical cost, less accumulated amortisation and accumulated impairment losses. The estimated useful lives of major intangible assts are as follows:

・Software: 5 years

The estimated useful lives, residual values and amortisation methods of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

(5) Leases

The Group assesses a contract at its inception and deems that it is a lease contract or a contract that contains a lease component if the contract conveys the right to control the use of a specified asset for a period of time in exchange for consideration.

A lease obligation is measured at the present value of the lease payments that are not paid at the commencement date. In calculating the present value, the Group typically uses its incremental borrowing rate as a discount rate if the interest rate implicit in the lease cannot be readily determined. With Lease obligations, financial expenses calculated based on principal repayments made with lease payments and the effective interest method are recognised over the lease term. A right-of-use asset is measured at the amount of the initial measurement of the lease obligation, adjusted by initial costs and prepaid lease payments, plus the cost of dismantling and removing the asset and restoring the site, as demanded by the lease contract, and is systematically depreciated over the lease term.

For short-term leases and low-value leases, the related payments are recognised as expenses using the straight-line method over the lease term.

(6) Impairment of non-financial assets

The Group verifies whether there is any indication that its non-financial assets excluding inventories and deferred tax assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. For goodwill and intangible assets that have indefinite useful lives or remain unavailable, the recoverable amount is estimated annually or whenever where is an indication of impairment.

The recoverable amount of an asset or a group of cash-generating units is the higher of its value in use or its fair value less costs of sales. In the calculation of the value in use, the estimated future cash flows are discounted to the present value using the pre-tax rate that reflects the current market's assessment of the time value of money and the risks specific to the asset. Assets that are not tested individually for impairment are integrated into the minimum cash-generating unit, which generates cash inflows largely independent of cash inflows from other assets or asset groups when they are used continually. For goodwill, the cash-generating units where goodwill is allocated are integrated into the minimum unit for the goodwill to be tested for impairment. Goodwill arising in business combinations are allocated to cash-generating units so that the synergy effect can be expected.

The corporate asset of the group does not generate independent cash inflows. If and when there is an indication of impairment of the corporate asset, the recoverable amount of the group of cash-generating units to which the corporate asset belongs is estimated.

If the carrying amount of an asset or a group of cash-generating units exceeds its recoverable amount, an impairment loss is recognised in net profit or loss. An impairment loss recognised for a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to the unit and is then allocated to the other assets on a pro rata basis to reduce the carrying amount of each asset.

Impairment losses related to goodwill will not be reversed. The Group evaluates assets other than goodwill at the end of each fiscal year on whether there is any indication that an impairment loss recognised in prior years has decreased. If the estimates used to determine the recoverable amount have changed, a reversal of the impairment loss may be recognised to the extent the increased carrying amount does not exceed the carrying amount, less necessary depreciation and amortisation, that would have been recognised had no impairment loss been recognised.

(7) Standard for recording significant provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is likely that the Group's economic resources will be consumed to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In the calculation of provisions, the estimated future cash flows are discounted to the present value using the pre-tax rate that reflects the current market's assessment of the time value of money and the risks specific to the liability. The discounted amount reversed with the passing of time is recognised as financial expenses.

For asset retirement obligations, the estimated cost of dismantling and removing the asset and restoring the site for rent offices with such obligations to be performed at the end of the lease agreement is recorded after estimating future cash flows considering specific situations of each office.

(8) Employee Benefits

The Group has companies with defined benefit plans.

The defined benefit liability is recognized in the Consolidated Statements of Financial Position at the present value of the defined benefit plan obligation. The defined benefit plan obligation is calculated based on the projected unit credit method, and its present value is calculated by applying a discount rate to the expected future payments. The discount rate is determined by reference to market yields on high-quality corporate bonds.

Current service cost and net interest expense on net defined benefit liability is recognized as net gain or loss.

Prior service cost is recognized in net gain or loss as incurred.

Remeasurements of net defined benefit liabilities, including actuarial gains and losses, are recognized in other comprehensive income as incurred and are immediately transferred from other components of equity to retained earnings.

(9) Standard for recognising revenue

The Group has applied IFRS 15 ("Revenue from Contracts with Customers," released in May 2014) and "Clarifications to IFRS 15" (released in April 2016) and the five-step approach described below to recognition of revenue.

Step 1: Identifying the contract with the customer

Step 2: Identifying the performance obligation in the contract
Step 3: Determining the transaction price
Step 4: Allocating the transaction price to separate performance obligations in the contract
Step 5: Recognizing revenue when or as the performance obligation is satisfied

For the Group' main business, we recognise sales revenue of the membership business based on the number of paid members as of the end of each month and sales revenue of the advertising business based on the advertising duration.

(10) Foreign currency translation

a) foreign currency transactions

Each company in the Group has set its own functional currency as the currency used in the primary economic environment where the company conducts its business activities and its transactions are measured at the functional currency.

In the preparation of financial statements of each company, transactions based on foreign currencies are translated into its functional currency at the spot exchange rate of the transaction date.

Monetary assets and liabilities denominated in foreign currencies as of the end of fiscal year are translated into the functional currency at the spot exchange rate of that date.

Exchange differences arising from the translation or settlement are recognised in net profit or loss.

b) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate as of the last date of the fiscal year and the revenue and expenses using the average exchange rate for the fiscal year. Exchange differences arising from the translation of foreign operations are recognised in other comprehensive income. The cumulative exchange differences arising from a foreign operation are reclassified to profit or loss for the fiscal year when the foreign operation is liquidated.

The Group has applied the exemption stated in IFRS 1 to such differences and transfers them to retained earnings with the cumulative exchange differences before the change deemed to be zero.

3. Notes to Accounting Estimates

In preparing these consolidated financial statements, management is obliged to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

We review estimates and underlying assumptions on an ongoing basis. Revisions to estimates, if any, are to be recognised in the fiscal year when such revisions are made and the following fiscal years.

Items involving estimates that may cause material revisions to the carrying values of assets and/or liabilities in the Consolidated Financial Statements for the following fiscal year (FY2024) are described below.

(1) Impairment losses of property, plant and equipment, goodwill, and intangible assets

a) Amount recorded in the Consolidated Financial Statements for FY2023
Selling, general and administrative expenses: 155,998 thousand yen

b) Information that helps comprehend accounting estimates
Please refer to “(6) Impairment losses of non-financial assets) in “2. Important Accounting Policies.”

(2) Collectability of deferred tax assets

a) Amount recorded in the Consolidated Financial Statements for FY2023
Net deferred tax assets: 140,072 thousand yen
The amount of deferred tax assets before offset by deferred tax liabilities is 191,500 thousand yen.

b) Information that helps comprehend accounting estimates
Deferred tax assets are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes as of the account closing date, unused tax losses, and unused tax credits.
Deferred tax assets are not recognised for the following:

- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

In principle, deferred tax liabilities are recognised for all taxable temporary differences whereas deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying value of deferred tax assets is reassessed every fiscal year and is written down by the amount unlikely to be used against by future taxable profits. Unrecognised deferred tax assets are reassessed every fiscal year and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Changes to the assumptions may materially affect the amount of differed tax assets or liabilities for the following fiscal year.

4. Notes to the Consolidated Income Statements

The breakdowns of other income and other expense are detailed below.

(Thousands of yen)

Other income		
Gain on loss of control of subsidiaries	* 1	203,668
Gain on reversal of obligations	* 2	157,668
Other	* 3	54,817
Total		416,152
Other expense		
Impairment loss	* 4	140,920
Subsidiary liquidation loss	* 3	229,287
Other		27,707
Total		397,913

* 1. CookpadLive Inc. executed an incorporation-type demerger of its live streaming business, effective from 2 October 2023. Concurrently, it transferred shares of the newly established company resulting from this demerger to NATSLIVE Inc., which generated this gain.

* 2. This is a gain on reversal of lease obligations and asset retirement obligations, following the closing of overseas offices.

* 3. This is a gain largely on the realisation of the foreign currency translation adjustment owing to the liquidation of nine subsidiaries.

* 4. After reorganising our business development structure in FY2023, we discontinued operations of "Tsuriba Camera" (a communication tool for fishers), which led to the recording of a goodwill impairment loss for the business.

5. Notes to the Consolidated Statements of Financial Position

(1) Allowance for doubtful accounts directly deducted from assets

Trade and other receivables　　349 thousand yen

(2) Accumulated depreciation and accumulated impairment losses on property, plant and equipment

1,232,726 thousand yen

6. Notes to the Consolidated Statements of Changes in Equity

(1) Numbers and classes of outstanding shares and treasury shares

Share class	No. of shares as of the beginning of FY2023	Increase in No. of shares in FY2023	Decrease in No. of shares in FY2023	No. of shares as of the end of FY2023
Outstanding shares				
Ordinary shares	107,429,400	-	-	107,429,400
Total	107,429,400	-	-	107,429,400
Treasury shares				
Ordinary shares	3,219,061	10,742,900	-	13,961,961

Total	3,219,061	10,742,900	-	13,961,961

(2) Dividends

Not applicable

(3) Share options as of the end of FY2023

Number of shares to be acquired through the exercise of share options granted by the Company (excluding options of which the exercise period has not started)

2,220,500 ordinary shares

7. Notes to Financial Instruments

(1) Status of financial instruments

Cash and deposits are exposed to exchange fluctuation risk. Accounts receivables, as part of trade and other receivables, are exposed to customer credit risk. We attempt to reduce such risks by carefully managing the due dates and outstanding balances of receivables.

(2) Fair value of financial instruments

The fair value and the carrying amount of financial instruments as of the end of the consolidated fiscal year (31 December 2023) are shown in the table below. Financial instruments with a fair value that is significantly similar to the carrying value are not included in the table.

(Thousands of yen)

	Carrying amount	Fair value	Difference
Other financial assets	615,564	614,201	(1,363)

(Notes) Method for calculating the fair value of financial instruments

Other financial assets

For lease and guarantee deposits, which are part of other financial assets, since we have decided that the counter parties of the relevant transactions, or the owners of the properties, pose considerably low credit risk, the fair value has been calculated based on the present value, discounting future cash flows expected over the lease term with deserved metrics such as the Japanese government bond yield. Among financial assets measured at fair value, shares of unlisted companies are recognised at the fair value calculated using a reasonable method.

(3) Fair value information by level within the fair value hierarchy of financial instruments

In accordance with IFRS, fair value measurement is classified into the following three levels based on the observability and significance of the inputs used for the measurement.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2: Fair value calculated using prices other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly

Level 3: Fair value calculated based on valuation techniques which include inputs that are not based on observable market data

The Company recognises transfers of financial instruments between the levels of the fair value hierarchy as having occurred at the beginning of each quarter.

(Thousand yen)

	Level 1	Level 2	Level 3	Total

Assets：				
Financial assets measured at fair value through other comprehensive income	-	-	15,788	15,788
Total	-	-	15,788	15,788

The changes in financial instruments classified as Level 3 are as follows:

(Thousand yen)

	Fair value measurement as of reporting date	
	Financial assets measured at fair value through net income or loss	Financial assets measured at fair value through other comprehensive income
Balance at beginning of the period	-	14,360
Total gain/loss	-	(138,189)
Net income or loss	-	-
Other comprehensive income	-	(138,189)
Purchase	-	143,525
Others	-	(3,908)
Balance at end of the period	-	15,788

The financial instruments classified under Level 3 comprise primarily of investments in securities issued by unlisted companies for which market prices are not available. When calculating fair values, generally inputs are reasonably estimated and an appropriate valuation technique is determined.

Fair value measurements of these financial instruments are made quarterly in accordance with the Group's accounting policies and the same are approved after having been reported to senior management.

No significant changes in the fair value of financial instruments classified under level 3 are expected when changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions.

8. Notes to Revenue Recognition

The Group only has a single business segment "Make everyday cooking fun!"

Sales revenue for domestic recipe service membership sales comes from monthly fees paid by users and providing services such as functions that allow users to search for recipes in order of popularity fulfils obligations. Therefore, we recognise revenue in that period.

Sales revenue for domestic recipe service advertising sales comes from advertising fees paid by manufactures or other companies who posted advertisement on the Cookpad platform and the posting fulfils obligations. Therefore, we recognise revenue in that period depending on the duration of posting.

As to consideration for transactions, payment for domestic recipe service membership sales is received within approximately 3 months from the time at which the sale is recognised and for advertising whereas payment for advertising is received within approximately 2 months from the completion of the advertising period. They do not include material financial factors.

Revenue is generated from all contracts executed with customers and the breakdown of revenue disaggregated by the type of service is as follows:

(Thousands of yen)

By service type	FY2023 (from 1 January 2023 through 31 December 2023
Make everyday cooking fun!	7,607,325
Domestic recipe service membership sales	5,863,325
Domestic recipe service advertising sales	786,725
Other sales	957,275

9. Notes to Per Share Information

(1) Equity attributable to shareholders of the Company per share: 146.24 yen

(2) Basic loss per share: 23.21 yen

(3) Diluted loss per share: -

10. Notes to Important Subsequent Events

Not applicable

11. Note to Business Combinations

No significant notes

Non-Consolidated Statements of Financial Position

(as of 31 December 2023)

(Thousands of yen)

Assets		Liabilities	
Current assets	9,355,791	Current liabilities	660,229
Cash and deposits	7,529,261	Accounts payable	2,757
Accounts receivable	1,178,453	Accrued expenses	34,518
Marketable securities	353,114	Accounts payable	563,197
Advances receivable	12,790	Income tax payable	13,801
Advance payments	192,673	Advances received	12,110
Other	60,440	Deposits received	30,434
Allowance for doubtful accounts	(348)	Other	3,409
Non-current assets	7,341,223	Non-current liabilities	35,609
Property, plant and equipment	31,510	Asset retirement obligations	35,609
Buildings and structures	5,829		
Tools, furniture and fixtures	11,029	Total liabilities	695,839
Leased assets	14,651	**Net assets**	
Intangible assets	78,817	Shareholders' equity	15,942,716
Software	570	Capital stock	5,286,015
Trademarks	52,188	Capital surplus	5,285,440
Patents	25,985	Legal capital surplus	5,285,440
Other	73	Retained earnings	8,684,611
Investments and other assets	7,230,895	Other retained earnings	8,684,611
Investment securities	15,990	Retained earnings brought forward	8,684,611
Shares of subsidiaries and affiliates	6,827,442	Treasury shares	(3,313,350)
Deferred tax assets	138,288	Share options	58,458
Other	249,174	Total net assets	16,001,174
Total assets	16,697,014	Total liabilities and net assets	16,697,014

(Note) The amounts are rounded down to the nearest thousand yen.

Non-Consolidated Income Statements

(From 1 January 2023 through 31 December 2023)

(Thousands of yen)

Account	Amount	
Net sales		7,261,662
Cost of sales		(84,389)
Gross profit		7,177,273
Selling, general and administrative expenses		(9,277,460)
Operating loss		2,100,186
Non-operating income		
Foreign exchange income	476,686	
Interest income	145,552	
Other	23,249	645,488
Non-operating expenses		
Interest expenses	(186)	
Expenses for acquisition of treasury shares	(135,793)	
Other	(1,539)	(137,518)
Ordinary loss		1,592,216
Extraordinary income		
Gain on extinguishment of tie-in shares	11,210	
Gain on reversal of share acquisition rights	7,560	
Gain on sales of non-current assets	4,111	22,881
Extraordinary loss		
Impairment loss	(21,819)	
Special severance payments	(683,950)	
Other	(33,330)	(739,100)
Loss before tax		2,308,435
Income taxes – current	73,592	
Income taxes – deferred	86,982	160,575
Net loss		2,147,860

(Note) The amounts are rounded down to the nearest thousand yen.

Non-Consolidated Changes in Shareholders' Equity

(From 1 January 2023 through 31 December 2023)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance as of 1 Jan. 2023	5,286,015	5,285,440	5,285,440	10,832,471	10,832,471
Changes over the year					
Net profit (or loss)	-	-	-	(2,147,860)	(2,147,860)
Acquisition of treasury shares	-	-	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes over the year	-	-	-	(2,147,860)	(2,147,860)
Balance as of 31 Dec. 2023	5,286,015	5,285,440	5,285,440	8,684,611	8,684,611

	Shareholders' equity		Share options	Total net assets
	Treasury shares	Total shareholders' equity		
Balance as of 1 Jan. 2023	(735,054)	20,668,872	85,684	20,754,557
Changes over the year				
Net profit (or loss)	-	(2,147,860)	-	(2,147,860)
Acquisition of treasury shares	(2,578,296)	(2,578,296)	-	(2,578,296)
Net changes in items other than shareholders' equity	-	-	(27,226)	(27,226)
Total changes over the year	(2,578,296)	(4,726,156)	(27,226)	(4,753,382)
Balance as of 31 Dec. 2023	(3,313,350)	15,942,716	58,458	16,001,174

(Note) The amounts are rounded down to the nearest thousand yen.

Notes to the Non-Consolidated Financial Statements

1. Important Accounting Policies

(1) Basis and methods of valuation for securities

a) Held-to-maturity debt securities	Recognised at amortized cost (by the interest method)
b) Investments in subsidiaries and affiliated companies	Recognised at cost determined by the moving-average method
c) Other securities	Securities other than shares or equivalent instruments without market quotations: Recognised at fair value, which represents the market prices at the end of the fiscal year (unrealised gain or loss is reported as a separate component of equity, net of tax; cost of sales is determined by the moving-average method) Shares or equivalent instruments without market quotations: Recognised at cost determined by the moving-average method

(2) Basis and methods of valuation for non-current assets

a) Property, plant and equipment (excluding leased assets)	Recognised using the declining-balance method (or the straight-line method for part of buildings). Estimated useful lives for major assets are shown below. Buildings and structures: 2 to 6 years Tools, furniture and fixtures: 3 to 15 years Assets acquired on or before 31 March 2007 are depreciated by the same amount per annum for five years to reduce their remaining value to 1 yen after it reaches the statutory depreciable limit.
b) Intangible assets (excluding leased assets)	Recognised using the straight-line method. Software (for in-house use) is amortised with the straight-line method over the in-house available period (five years).

c) Leased assets	For finance leases that are not deemed to transfer the ownership of the leased assets to the lessee, leased assets are depreciated using the straight-line method assuming the lease period as the useful life and no residual value.

(3) Standard for recording allowance

a) Allowance for doubtable accounts	In anticipation of uncollectible receivables, allowance for doubtful accounts is calculated based on past credit loss experience for general account receivables. For certain receivables deemed to be difficulty to collect, allowance is individually calculated based on the collectability of the account.

2. Notes to Changes in Presentation

For the previous fiscal year, "Merchandise" (357 thousand yen for FY2023) and "Supplies" (11,149 thousand yen for FY2023) were itemised separately. For FY2023, however, they have been included under "Other" as their amounts are insignificant.

3. Notes to Accounting Estimates

In preparing these consolidated financial statements, management is obliged to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

We review estimates and underlying assumptions on an ongoing basis. Revisions to estimates, if any, are to be recognised in the fiscal year when such revisions are made and the following fiscal years.

Items involving estimates that may cause material revisions to the carrying values of assets and/or liabilities in the Consolidated Financial Statements for the following fiscal year (FY2024) are described below.

Collectability of deferred tax assets

a) Amount recorded in the Non-Consolidated Financial Statements for FY2023
   Net deferred tax assets: 138,288 thousand yen
   The amount of deferred tax assets before offset by deferred tax liabilities is 139,500 thousand yen.
b) Information that helps comprehend accounting estimates
   The Company recognise deferred tax assets taking into account the estimated availability of taxable temporary differences or unused tax losses against future taxable profits. In assessing the collectability

of deferred tax assets, probable reversal of deductible temporary differences and projected future taxable profits are considered.

Changes to the assumptions may materially affect the amount of differed tax assets or liabilities for the following fiscal year.

4. Notes to the Non-Consolidated Statements of Financial Position

(1) Accumulated depreciation on property, plant and equipment: 411,973 thousand yen

* Accumulated depreciation includes accumulated impairment losses.

(2) Amounts due from and due to subsidiaries and affiliated companies

The amounts due from and due to subsidiaries and affiliated companies are shown below.

Short-term amounts due from:	6,645 thousand yen
Short-term amounts due to:	128,033 thousand yen

5. Notes to the Non-Consolidated Income Statements

Transactions with subsidiaries and affiliated companies

Operating transactions (expenditure):	441,801 thousand yen
Other transactions (income):	17,523 thousand yen

6. Notes to the Non-Consolidated Changes in Shareholders' Equity

Number and class of shares as of the end of FY2023

Ordinary shares:	13,961,961

7. Notes to Tax Effect Accounting

Details of recognition of deferred tax assets and liabilities by principal causes

Deferred tax assets

	(Thousands of yen)
Unused tax losses	3,212,716
Accrued business tax	3,737
Estimates of sales commission disallowed	20,933
Rents	8,983
Accounts payable – bonuses and severance payments	18,701
Non-current assets	858,575
Shares of affiliate companies' stock	2,021,014
Asset retirement obligations	10,889
Other	1,616
Subtotal of deferred tax assets	6,157,168
Valuation allowance for unused tax losses	(3,121,569)
Valuation allowance for deductible temporary differences	(2,896,097)
Subtotal for valuation allowance	(6,017,667)
Total deferred tax assets	139,500
Deferred tax liabilities	
Retirement expenses concerning asset retirement obligations	(1,212)
Total deferred tax liabilities	(1,212)
Net deferred tax assets	138,288

8. Notes to Transactions with Related Parties

Not applicable.

9. Notes to Revenue Recognition

All items are the same as in "Notes to Consolidated Financial Statements - 8. Notes to Revenue Recognition" .

10. Notes to Per Share Information

(1) Net assets per share	170.56 yen
(2) Net loss per share	22.37 yen

11. Notes to Important Subsequent Events

Not applicable

Auditor's Report on the Consolidated Financial Statements

Independent Auditor's Report

9 February 2024

Yoshichika Kaneko,
Certified Public Accountant and
Designated Limited Liability Engagement Partner
Yuki Kodaka,
Certified Public Accountant and
Designated Limited Liability Engagement Partner
Tokyo Office
KPMG AZSA LLC

To the Board of Directors of Cookpad Inc.:

Opinion

We have audited the consolidated financial statements of Cookpad Inc. (the "Company") for the consolidated fiscal year 2023 (from 1 January 2023 through 31 December 2023), which comprise the Consolidated Statements of Financial Position, the Consolidated Income Statements, the Consolidated Statements of Changes in Equity, and the Notes to the Consolidated Financial Statements, pursuant to the provisions in Article 444 (4) of Japan's Companies Act.

In our opinion, the consolidated financial statements listed above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries (the "Group") as of 31 December 2023 and their consolidated financial performance for the period, for which the consolidated financial statements were prepared in accordance with the second sentence of Article 120 (1) of the Regulation on Corporate Accounting, which allows the Company to prepare consolidated financial statements with the omission of certain disclosures required under International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the report on the Group's business and the supplementary schedules to the financial statements. The management is responsible for preparation and disclosure of this other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of observation thereon.

Our responsibility for the other information in connection with our audit of the consolidated financial statements is to read the other information and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the process of audit or otherwise appears to be materially misstated.

In the event that we conclude the other information contains a material misstatement based on the

above work, we are required to report the fact.
For this business period, we have nothing to report in this regard.

Responsibilities of the management and the Audit Committee regarding the consolidated financial statements
The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120 (1) of the Regulation on Corporate Accounting, which allows the Company to prepare consolidated financial statements with the omission of certain disclosures required under IFRS, and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentence of Article 120 (1) of the Regulation on Corporate Accounting, which allows the Company to prepare consolidated financial statements with the omission of certain disclosures required under IFRS and using the going concern basis of accounting.

The Audit Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentence of Article 120 (1) of the Regulation on Corporate Accounting, which allows the Company to prepare consolidated financial statements with the omission of certain disclosures required under IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards for reducing such matters to an acceptable level.

Interests between the Company and auditor

We do not have any interest in the Group that is required to be disclosed pursuant to the provisions of Japan’s Certified Public Accountants Act.

Auditor’s Report on Non-Consolidated Financial Statements

Independent Auditor’s Report

9 February 2024

Yoshichika Kaneko,
Certified Public Accountant and
Designated Limited Liability Engagement Partner
Yuki Kodaka,
Certified Public Accountant and
Designated Limited Liability Engagement Partner
Tokyo Office
KPMG AZSA LLC

To the Board of Directors of Cookpad Inc.:

Opinion

We have audited the non-consolidated financial statements of Cookpad Inc. (the “Company”) for its 27th Business Period (from 1 January 2023 through 31 December 2023), which comprise the Non-Consolidated Statements of Financial Position, the Non-Consolidated Income Statements, the Non-Consolidated Statements of Changes Net Assets, the Notes to the Non-Consolidated Financial Statements, and the Supplementary Schedules to the Financial Statements, pursuant to the provisions in Article 436 (2) (i) of Japan’s Companies Act.

In our opinion, the non-consolidated financial statements listed above present fairly, in all material respects, the financial position of the Company as of 31 December 2023 and its financial performance for the period, for which the non-consolidated financial statements were prepared in accordance with accounting principles generally accepted in Japan.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the non-consolidated financial statements” section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the report on the Company’s business and the supplementary schedules to the financial statements. The management is responsible for preparation and disclosure of this other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of observation thereon.

Our responsibility for the other information in connection with our audit of the non-consolidated financial statements is to read the other information and consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the process of audit or otherwise appears to be materially misstated.

In the event that we conclude the other information contains a material misstatement based on the above work, we are required to report the fact.

For this business period, we have nothing to report in this regard.

Responsibilities of the management and the Audit Committee regarding the non-consolidated financial statements

The management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as the management determines is necessary to enable the preparation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting.

The Audit Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards for reducing such matters to an acceptable level.

Interests between the Company and auditor

We do not have any interest in the Company that is required to be disclosed pursuant to the provisions of Japan's Certified Public Accountants Act.

Audit Committee’s Report

Audit Report

The Audit Committee audited the execution of duties by Directors and Executive Officers during the 27th Business Period of Cookpad Inc. (the “Company”; from 1 January 2023 through 31 December 2023), and hereby reports on the method and results of the audit as described below.

1. How and what to audit

We periodically received reports from Directors, Executive Officers and employees, etc., requested explanations as necessary, and expressed opinions, regarding the development and operation of internal control systems that were designed and organized based on the decisions by the Board of Directors in relation to matters set forth in Article 416 (1) (i) (b) through (e) of Japan’s Companies Act, and performed the audit using the following methods:

a. In accordance with the auditing policies and assignment of duties, etc. we established and in cooperation with the internal auditing division, we attended important meetings, received reports on matters regarding the execution of duties from Directors and Executive Officers, etc., obtained explanations thereof as necessary, viewed documents concerning important decisions, and investigated the conditions of operations and assets. Regarding the Company’s subsidiaries, we received reports on their business as necessary and examined their overall operation; and

b. We monitored and verified that the accounting auditor remained independent and performed audits appropriately, received reports from the accounting auditor on the execution of its duties and requested explanations as necessary. We were also notified that a “system for ensuring the proper execution of duties” (as per Article 131 of the Regulation on Corporate Accounting) was designed and organized in accordance with “Quality Control Standards for Auditing” (Business Accounting Council, 28 October 2005), and requested explanations as necessary.

Using the method described above, we examined the business report and the supplementary schedules thereof and the non-consolidated financial statements (the Non-Consolidated Statements of Financial Position, the Non-Consolidated Income Statements, the Non-Consolidated Statements of Changes Net Assets, and the Notes to the Non-Consolidated Financial Statements) and the supplementary schedules thereof as well as the consolidated financial statements (the Consolidated Statements of Financial Position, the Consolidated Income Statements, the Consolidated Statements of Changes in Equity, and the Notes to the Consolidated Financial Statements) for the business period under review.

2. Results of the audit

(1) Audit of the business report and other documents

a. We confirm that the business report and the supplementary schedules thereof fairly represent the condition of the Company and are in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

b. We confirm that, with respect to the execution of duties by Directors and Executive Officers, there are no fraudulent acts, or material facts that violate applicable laws and regulations or the Articles of Incorporation.

c. We confirm that the decisions made by the Board of Directors with regard to internal control systems are proper. We recognize that there is nothing to be noted with respect to the description of those internal control systems in the business reports and the execution of duties by Directors and Executive Officers.

d. We find the basic policy regarding persons who control the determination of financial and business policies of the Company stated in the business report to be reasonable. We find that the efforts provided for in Article 118 (iii) (b) of the Ordinance for Enforcement of the Companies Act stated in the business report are in compliance with that basic policy and do not harm the common interests of the shareholders of the Company, and that their purpose is not to maintain the positions of officers of the Company.

(2) Audit of the non-consolidated statements and the supplementary schedules thereof

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the accounting auditor of the Company, are appropriate.

(3) Audit of the consolidated statements and the supplementary schedules thereof

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the accounting auditor of the Company, are appropriate.

9 February 2024

Toru Kitagawa, Outside Director (Chair)
Hirotaka Tanaka, Outside Director
Takako Kato, Outside Director

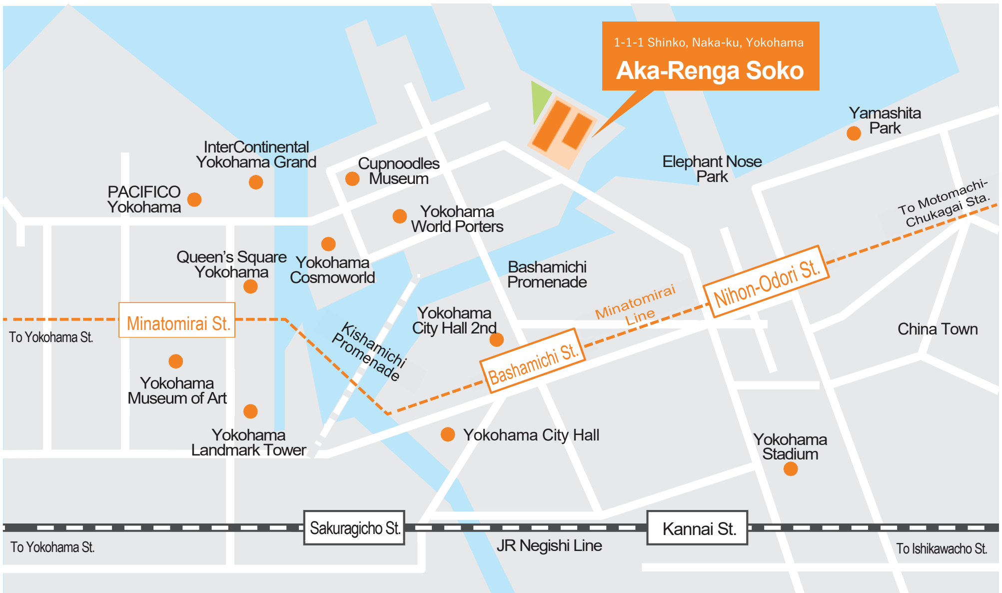
Audit Committee of Cookpad Inc.

■ Visit our IR (Investor Relations) homepage ■

Please visit our website for more information for investors and shareholders. You will find the presentation video and the materials distributed for “FY2023 Financial Results Presentation for Analysts and Investors” as well as the Consolidated Earnings Results, the Annual Securities Report, press releases and other documents on our IR homepage.

< Cookpad’s IR homepage >
https://info.cookpad.com/en/ir

General Meeting of Shareholders - Venue Map



Venue

3rd Floor, 1st Building of Aka-Renga Soko (Yokohama Red Brick Warehouse)
1-1-1 Shinko, Naka-ku, Yokohama, Kanagawa, Japan

Train

JR Line or Yokohama Municipal Subway Line:
Sakuragicho St. – 15 minutes' walk via Kishamichi Promenade
Kannai St. – 15 minutes' walk

Minatomirai Line:
Bashamichi St. or **Nihon-Odori St.** – 6 minutes' walk
Minatomirai St. – 12 minutes' walk

cookpad