

# Financial Announcement for 2Q FY2019/8 (from Sep. 1, 2018 to Feb. 28, 2019)

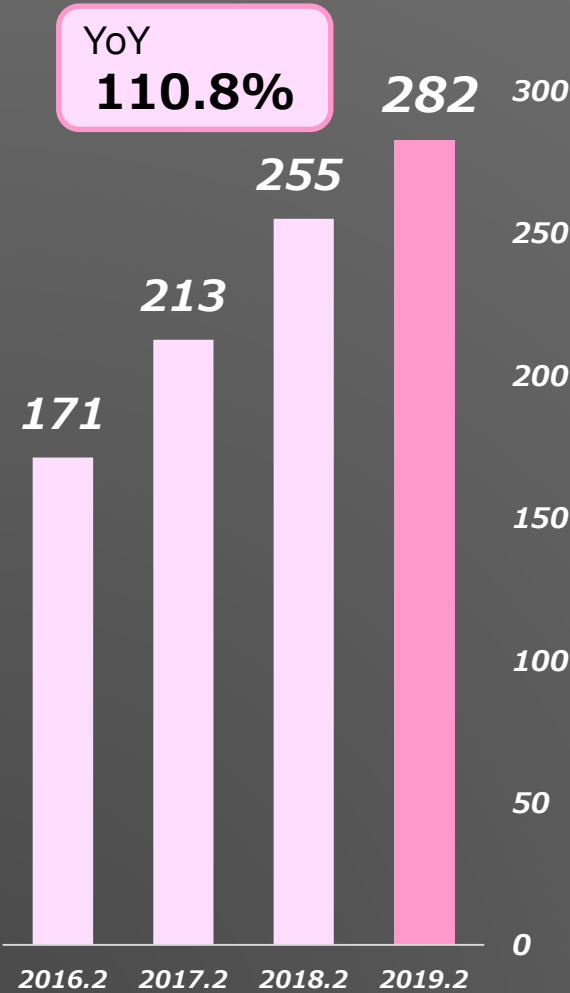
Yume no Machi Souzou Iinkai Co., Ltd.  
(JASDAQ:2484)

# Financial Review for 2Q FY2019/8

# 2Q FY2019/8 Major KPI Summary

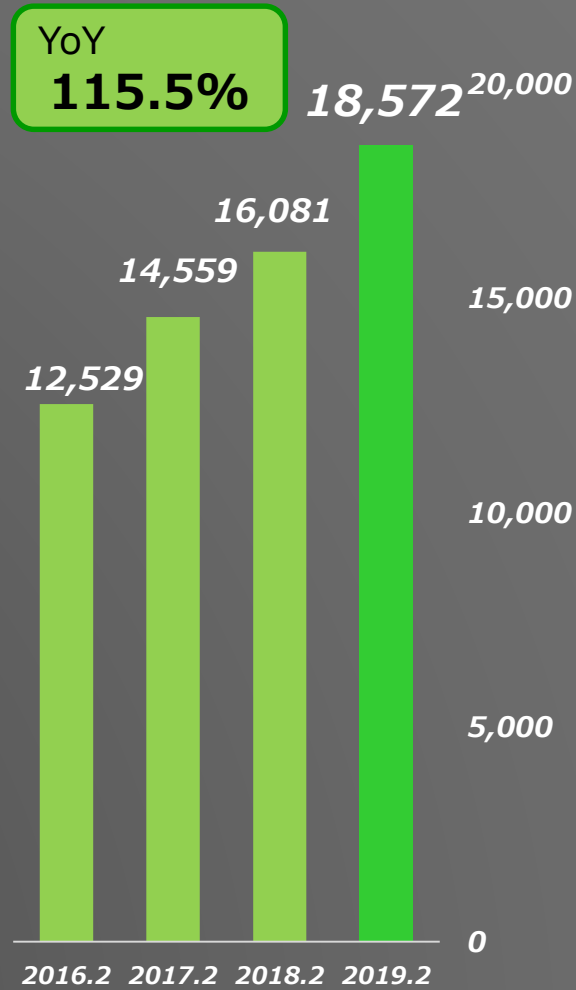
Number of active users  
(as of Feb. 28)

(10,000 people)



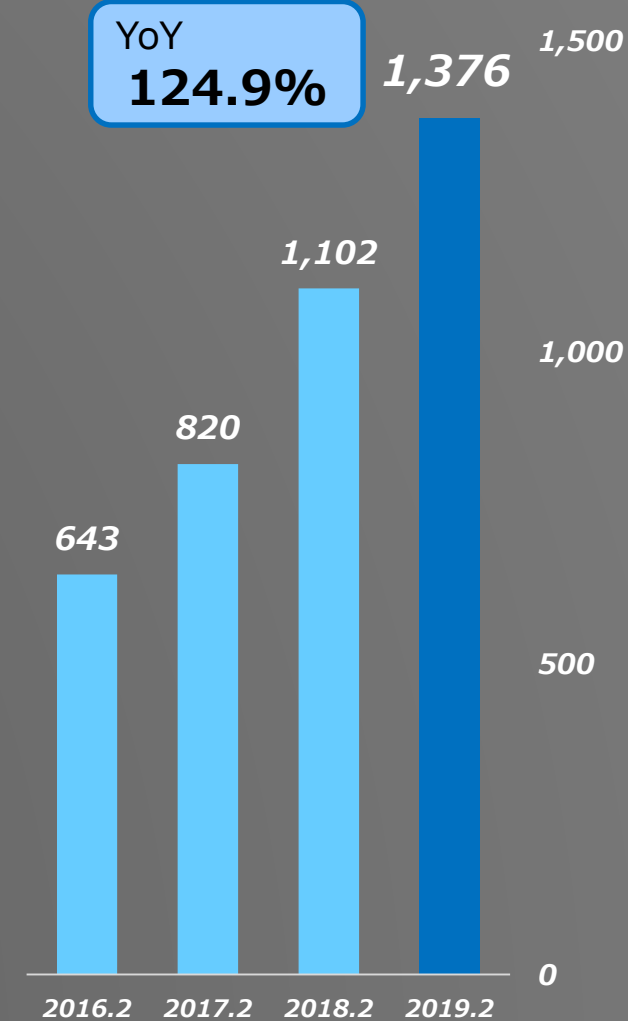
Number of affiliated stores  
(as of Feb. 28)

(Stores)



Number of orders/year  
(from Sep. 1 to Feb. 28)

(10,000 orders)



# Overview of Consolidated Financial Results for 2Q FY2019/8

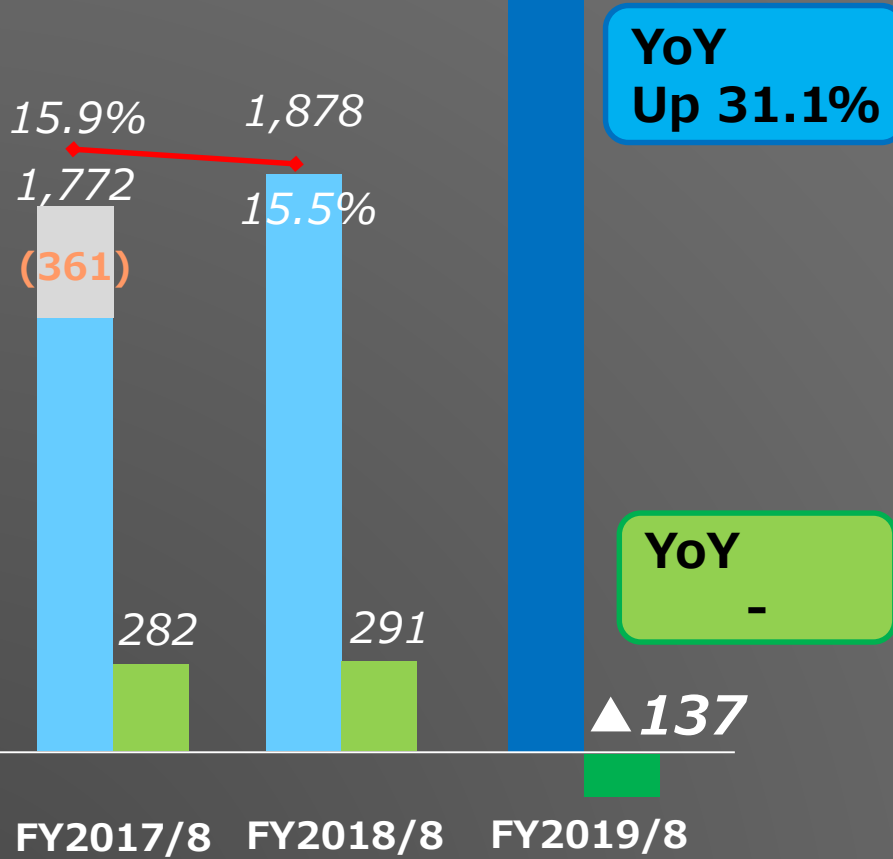
Net sales continued to increase by 21.4% YoY, while operating loss of 40 million yen was registered due to the cost of a variety of measures for market expansion.

- Main factors for increased sales but decreased profit
  - ✓ Increase in order commissions due to a growing number of orders (up 316 million yen YoY)
  - ✓ Increase in cost due to the deployment of the directly managed offices of Sharing Delivery
  - ✓ Increase in cost due to the aggressive investment for expansion of market share
- Other
  - ✓ Alliance with TSUNAGU SOLUTIONS Inc. and INDIVAL, Inc. for the release of “shotworks delivery with *Demae-can*”.

| Millions of yen                                | FY2018/8<br>2Q Actual | FY2019/8<br>2Q Actual | Year on year<br>Difference | Year on year<br>Comparison | 2Q FY2019/8<br>Sales ratio |
|--|-----------------------|-----------------------|----------------------------|----------------------------|----------------------------|
| <b>Net sales</b>                               | <b>2,568</b>          | <b>3,119</b>          | <b>551</b>                 | <b>121.4%</b>              | <b>100.0%</b>              |
| <b>Gross profit</b>                            | <b>1,644</b>          | <b>1,925</b>          | <b>281</b>                 | <b>117.1%</b>              | <b>61.7%</b>               |
| <b>SG &amp; A</b>                              | <b>1,303</b>          | <b>1,965</b>          | <b>662</b>                 | <b>150.8%</b>              | <b>63.0%</b>               |
| <b>Operating profit</b>                        | <b>341</b>            | <b>▲40</b>            | <b>▲381</b>                | -                          | -                          |
| <b>Ordinary profit</b>                         | <b>353</b>            | <b>▲19</b>            | <b>▲372</b>                | -                          | -                          |
| <b>Profit attributable to owners of parent</b> | <b>225</b>            | <b>▲33</b>            | <b>▲258</b>                | -                          | -                          |

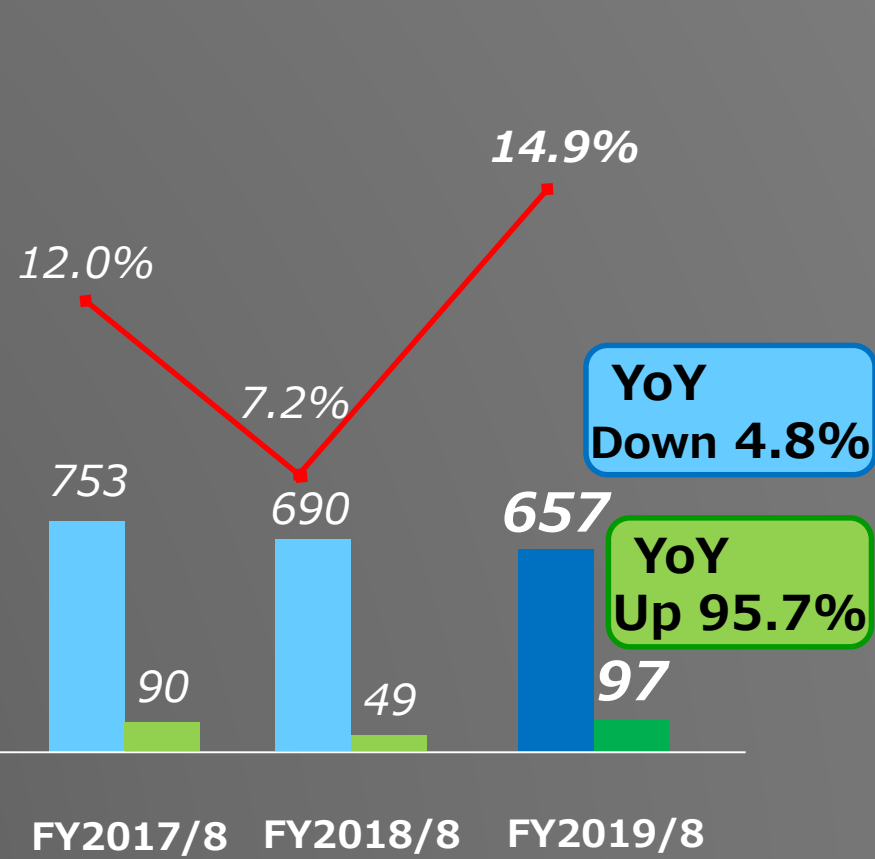
## Demae-can business

(millions of yen)  
2,462



## Mail order business

(millions of yen)



■ Net sales      ↔ Operating margin  
■ Operating profit      ■ Net sales by Delis

# Overview of Consolidated Balance Sheet for 2Q FY2019/8

| Millions of yen                | End of Aug.,<br>2018 | End of Feb.,<br>2019 | Difference  | Comparison    |
|--------------------------------|----------------------|----------------------|-------------|---------------|
| <b>Current assets</b>          | <b>5,269</b>         | <b>4,605</b>         | <b>▲664</b> | <b>87.4%</b>  |
| Cash and deposits              | 2,928                | 2,229                | ▲699        | 76.1%         |
| Accounts receivable-other      | 1,864                | 2,078                | 214         | 111.5%        |
| Other current assets           | 476                  | 298                  | ▲178        | 62.6%         |
| <b>Non-current assets</b>      | <b>1,232</b>         | <b>1,401</b>         | <b>169</b>  | <b>113.7%</b> |
| Intangible assets              | 604                  | 642                  | 38          | 106.3%        |
| Other non-current assets       | 627                  | 758                  | 131         | 120.9%        |
| <b>Total assets</b>            | <b>6,502</b>         | <b>6,007</b>         | <b>▲495</b> | <b>92.4%</b>  |
| <b>Current liabilities</b>     | <b>3,164</b>         | <b>3,057</b>         | <b>▲107</b> | <b>96.6%</b>  |
| Short-term loans payable       | 800                  | 600                  | ▲200        | 75.0%         |
| Accounts payable-other         | 1,985                | 2,146                | 161         | 108.1%        |
| Other current liabilities      | 379                  | 310                  | ▲69         | 81.8%         |
| <b>Non-current liabilities</b> | <b>68</b>            | <b>47</b>            | <b>▲21</b>  | <b>69.1%</b>  |
| <b>Total liabilities</b>       | <b>3,233</b>         | <b>3,105</b>         | <b>▲128</b> | <b>96.0%</b>  |
| <b>Net assets</b>              | <b>3,268</b>         | <b>2,902</b>         | <b>▲366</b> | <b>88.8%</b>  |

# Financial Forecast for FY2019/8

## Achievements:

### 1) Expansion of the locations of sharing delivery

- From 60 locations to 104 locations  
(expanded into Ibaragi, Tochigi, Kyoto, Nara and Hiroshima Pref.)
- Establishment of a profit-role-model for a direct managed office

### 2) Increase in the number of affiliated stores

- Increase in the number of affiliated stores about 1.8 times fast year on year

## Issues:

### 1) low CVR of new users

→ Further improvement of the product is required

### 2) Improvement of efficiency of stores/office is required

→ Enhancement of support by system is necessary

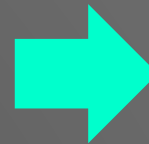


## Launch of new app on March 28

### 1) Improvement of UI/UX

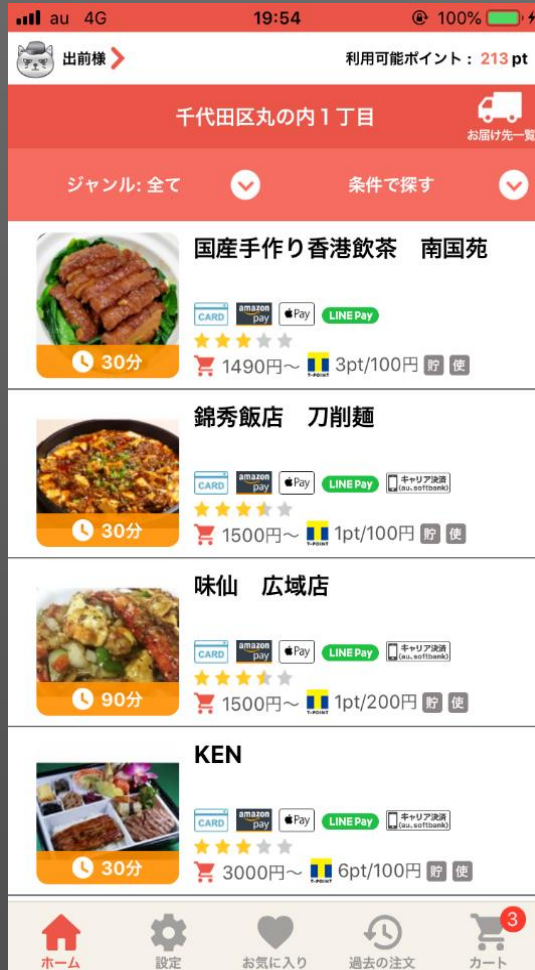


Top screen

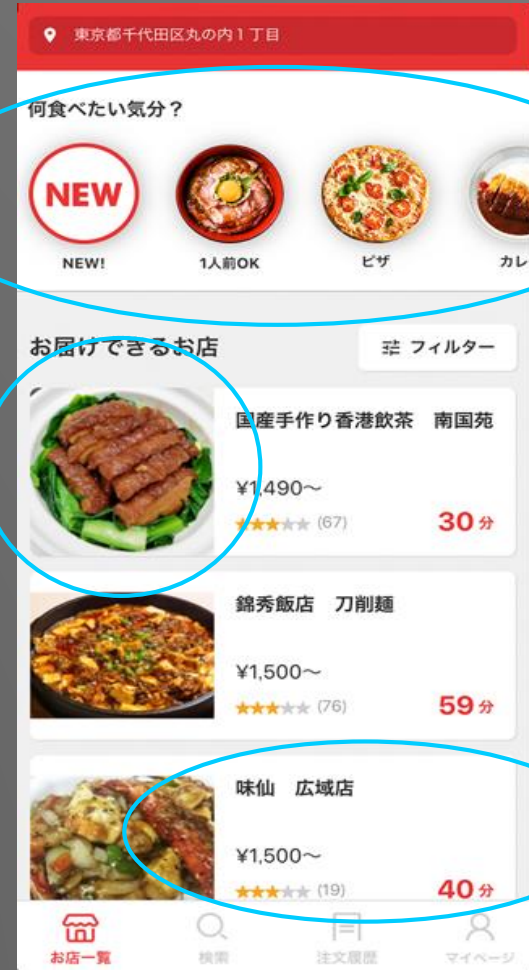


Top screen

## 1) Improvement of UI/UX



Stores view screen



Stores view screen

## 2) Expansion of order opportunities

**NEW!**



Pre-order in after-hours



Advanced order

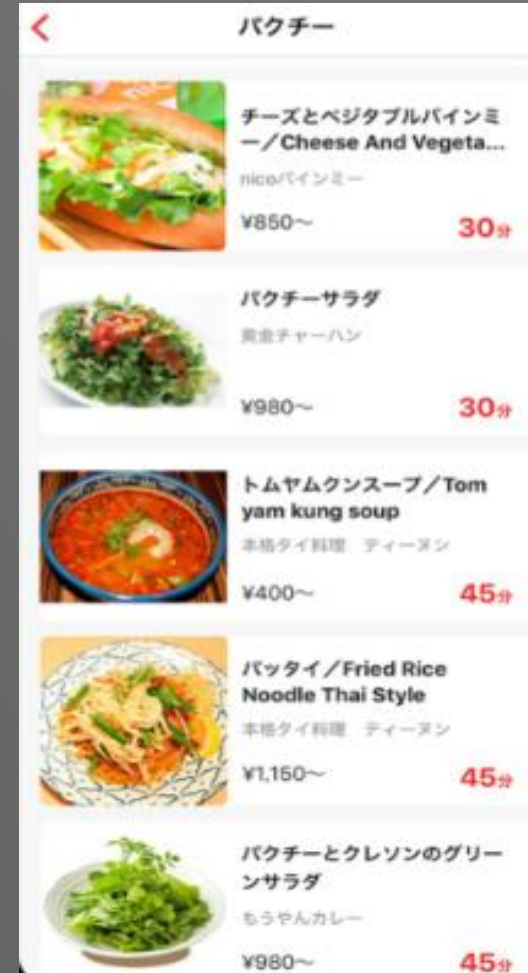


## 3) Buildup of the search and advertising function

**NEW!**



Input of keyword research



Result of keyword research

## 4) Set new group for the maximize LTV of users

### Product Planning Gr.

- Designing the optimum UI/UX

### Data Strategy Gr.

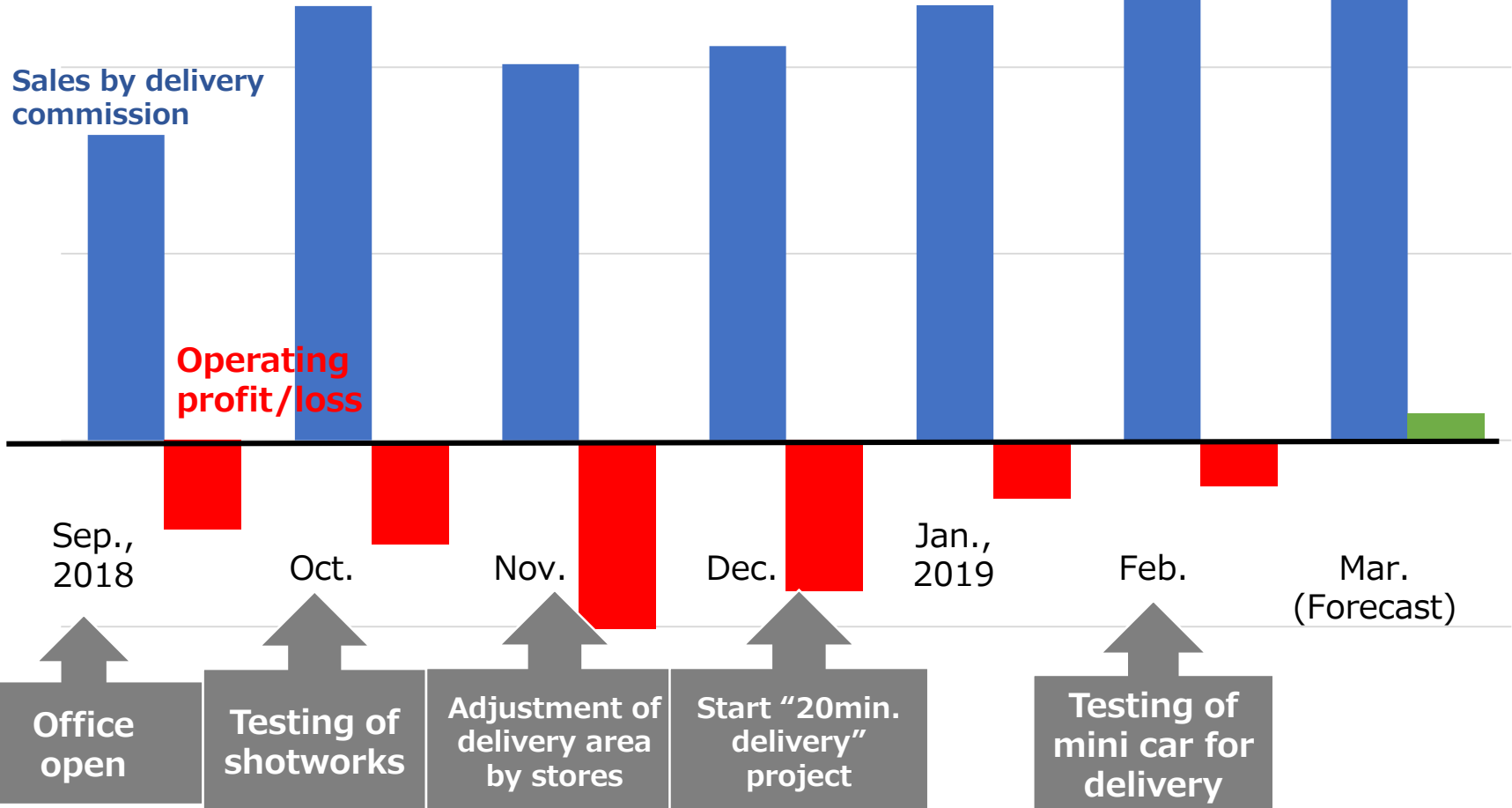
- Designing the algorism for maximum LTV of users

**Accelerate the radical improvement of product/  
service by organizing cross-sectoral products**

- Improvement for linkage and visual of product
- Polished digital marketing
- Designing for next service model in future

## 1) Improvement of operation in the direct managed office

Progress of profit & loss  
in direct managed office "K"





## 2) Support of recruiting for affiliated stores and delivery office

Launch on March 13  
 “shotworks delivery with Demae-can”



宅配・デリバリー短期バイト派遣の求人

東京都 選択

04/01(月)、04/02(火)、04/03(水)、03/31(日)、明後日、明日 選択

自転車/電動自転車 選択

4件中 1~20件を表示 (全1ページ) おすすめ順

**NEW**

03/30 (土) 11:00 ~ 15:00 昼

出前館 赤坂店★フードデリバリー★自転車/電動自転車★週払い(振込み)★六本木駅★時給1,200円

六本木駅 徒歩 5分

時給 1,200 円

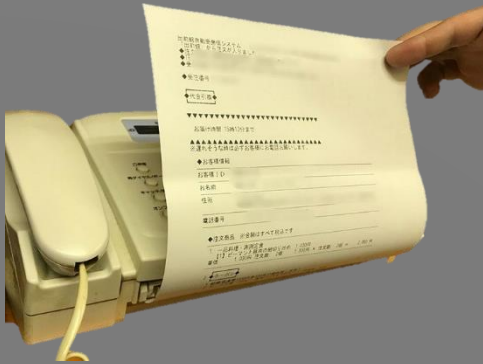
配達手段：自転車/電動自転車

面接なし 研修なし 交通費支給 駅チカ

Matching experienced workers who want short-term work to affiliated stores or delivery office which want staff temporary.

## 3) Buildup the ordering system for restaurants

### Small restaurants



**FAX + TEL**

Must type the order to a cash resister

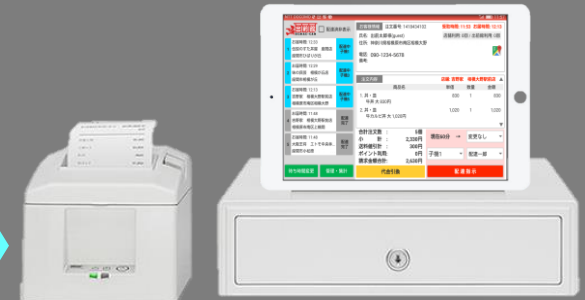
### Big chain



**POS connection**

Hard for small restaurants due to the initial cost

### Small restaurants

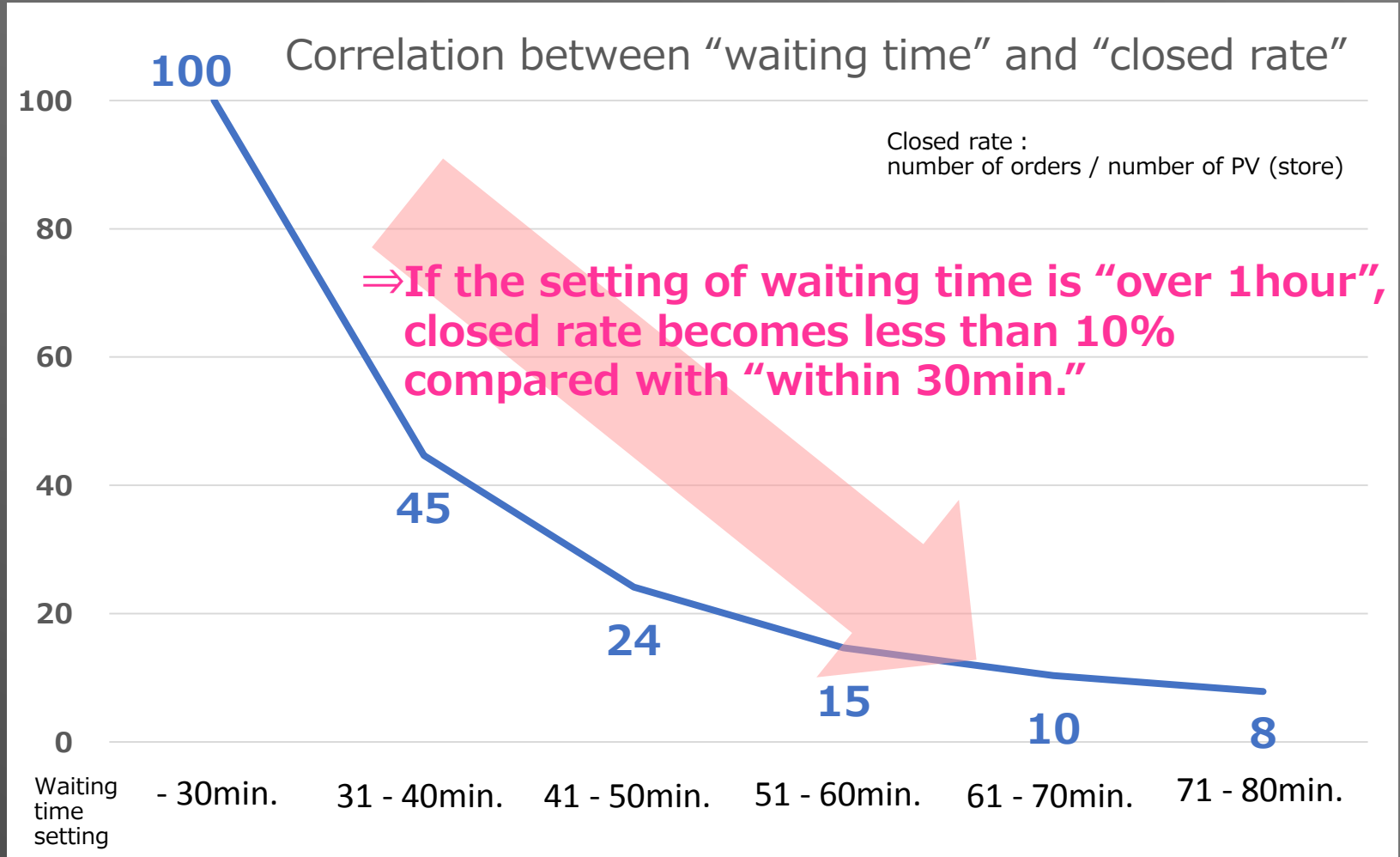


**Demae-can order app + POS connection**

Efficient operation by the linkage of orders to a cash resister and low initial cost for it



## 4) Shortening the delivery time



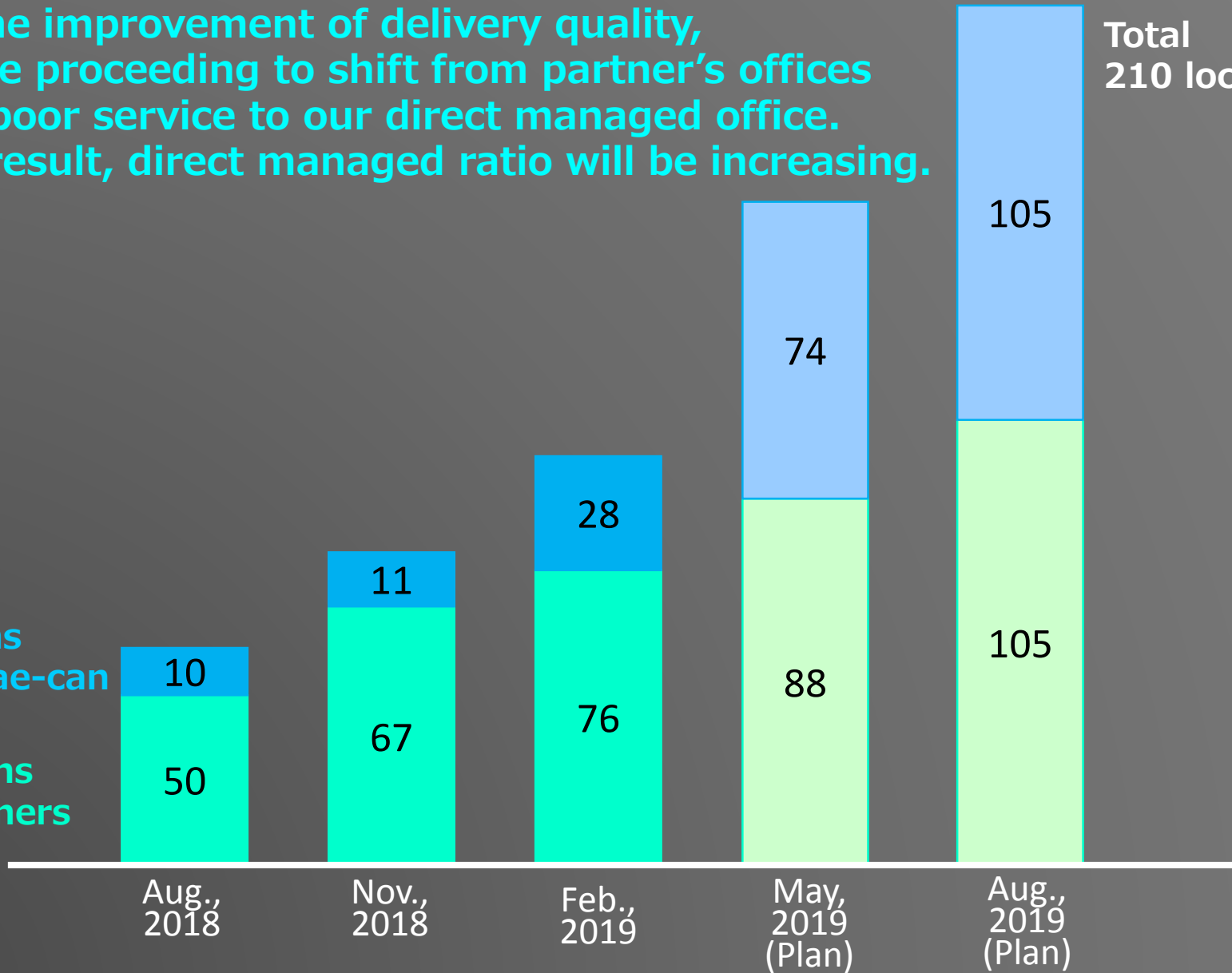
Scheduled to launch "Automated operation system" for realizing the efficient delivery within this fiscal year

For the improvement of delivery quality, we are proceeding to shift from partner's offices with poor service to our direct managed office. As a result, direct managed ratio will be increasing.

Total  
210 locations

Locations  
by Demae-can

Locations  
by partners



## 【Major KPI Target for FY2019/8】

|                                | FY2018/8<br>Actual | FY2019/8<br>Target | Year on year<br>Difference | Year on year<br>Comparison | Former<br>Forecast |
|--------------------------------|--------------------|--------------------|----------------------------|----------------------------|--------------------|
| Number of orders<br>(10K)      | 2,332              | 3,149              | 817                        | 135.0%                     | 3,382              |
| Number of<br>affiliated stores | 17,207             | 20,258             | 3,051                      | 117.7%                     | 21,125             |
| Number of<br>active uses (10K) | 269                | 302                | 33                         | 112.2%                     | 441                |

## 【Consolidated Financial Forecast for FY2019/8】

| Millions of yen                            | FY2018/8<br>Actual | FY2019/8<br>Forecast | Year on year<br>Difference | Year on year<br>Comparison | Former<br>Forecast |
|--|--------------------|----------------------|----------------------------|----------------------------|--------------------|
| Net sales                                  | 5,430              | 7,000                | 1,570                      | 128.9%                     | 7,681              |
| Operating profit                           | 837                | ▲300                 | ▲1,137                     | -                          | 100                |
| Ordinary profit                            | 849                | ▲290                 | ▲1,139                     | -                          | 117                |
| Profit attributable to<br>Owners to parent | 558                | ▲300                 | ▲858                       | -                          | 79                 |

# Expansion of affiliated stores



OPEN  
2018/9



OPEN  
2018/11



OPEN  
2018/12



OPEN  
2019/1



OPEN  
2019/1



OPEN  
2019/1



OPEN  
2019/2



OPEN  
2018/10



OPEN  
2018/10



OPEN  
2019/1



# Thank you!



This presentation contains forward looking statements that are based on current expectations and assumptions. Actual results could differ materially due to risks and uncertainties, which includes, but not limited to, currency fluctuation and competitive activity. Fractions are rounded down for the amount listed.