

FY18 (Sep. 1, 2016 – Aug. 31, 2017) Financial Announcement

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

October 13, 2017

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.

Agenda

- 1. FY18 Consolidated Financial Review**
2. FY19-FY21 Medium-Term Management Plan

FY18 Consolidated Financial Summary

Growth of 19.8% in net sales and 39.8% in operating profit was achieved, marking the fifth consecutive period of increases in both and operating profit

- Key factors for increase both in sales and profits
 - ✓ Revenue from order commissions increased as the numbers of active users and member restaurants grew (up 392 million yen year on year).
 - ✓ Sales increased as a result of making Delis Corporation a subsidiary (up 386 million yen year on year).
- Others
 - ✓ The Sharing Delivery™ service expanded through the business alliance with The Asahi Shimbun Company (1st store opened in March 2017)
 - ✓ The Company sold its shares in Delis Corporation (April 2017).
 - ✓ The Company launched the Line Delima service through the business alliance with Line Corporation (July 2017).

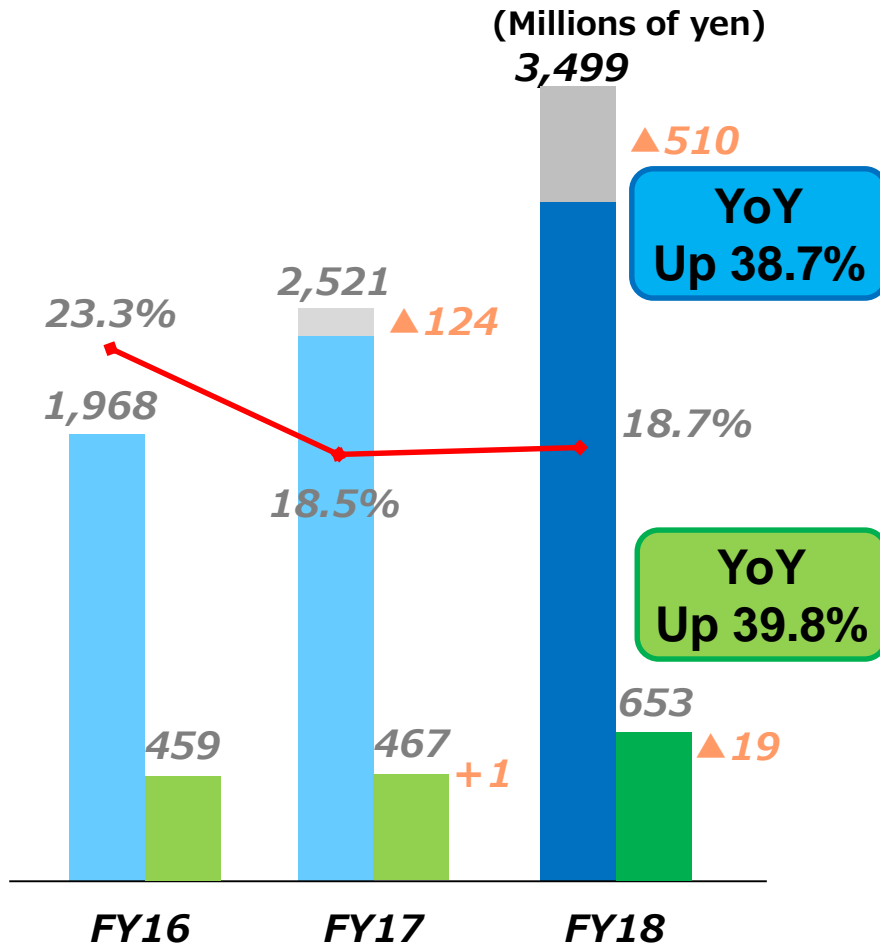
Millions of yen	FY17 Actual	FY18 Actual	Year on year Difference	Year on year Comparison	FY18 Sales ratio
Net sales	4,154	4,943	789	119.0%	100.0%
Gross profit	2,652	3,223	571	121.5%	65.2%
SG & A	2,079	2,422	343	116.5%	49.0%
Operating profit	572	800	228	139.8%	16.2%
Ordinary profit	579	797	218	137.8%	16.1%
Profit attributable to owners of parent	347	432	85	124.4%	8.8%

FY18 Consolidated Financial Summary

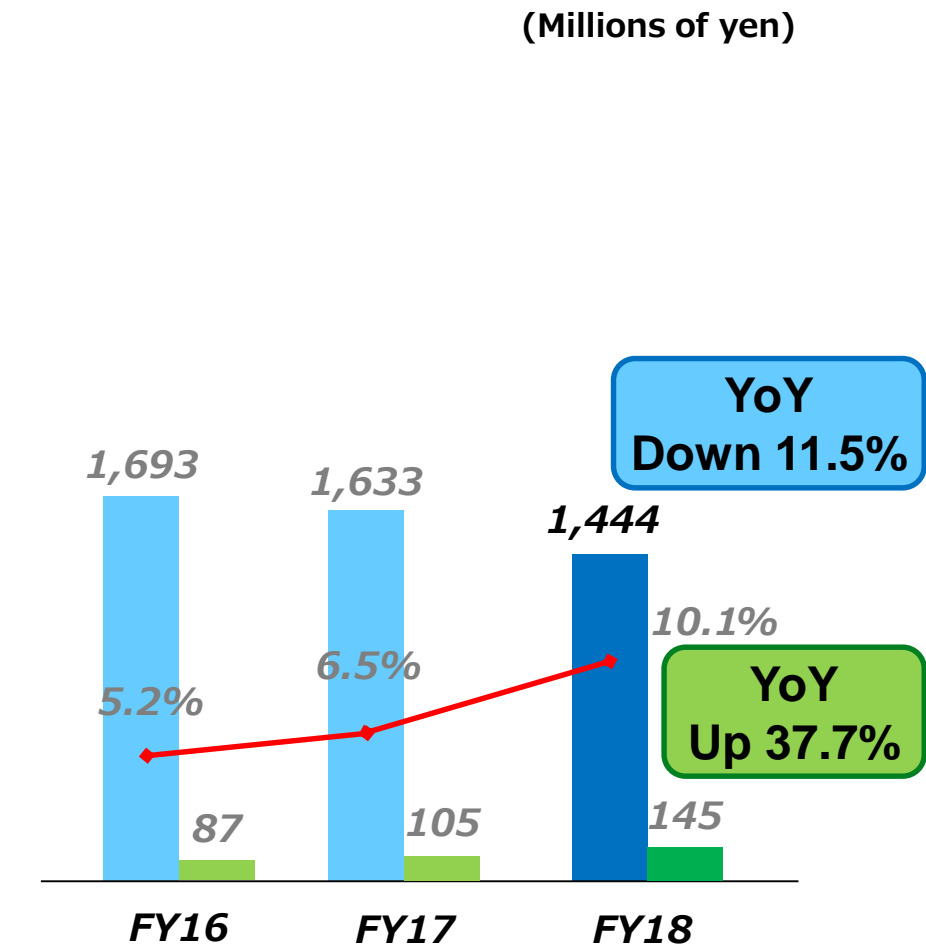
	End of Aug., 2016	End of Aug., 2017	Year on year Difference	Year on year comparison
Current assets	2,577	3,519	942	136.6%
Cash and deposits	1,719	2,262	543	131.6%
Other current assets	857	1,257	400	146.5%
Non-current assets	1,488	919	▲569	61.8%
Intangible assets	1,091	520	▲571	47.7%
Other non-current assets	396	397	1	100.4%
Total assets	4,066	4,439	373	109.2%
Current liabilities	1,332	1,698	366	127.5%
Non-current liabilities	392	28	▲364	7.2%
Total liabilities	1,724	1,726	2	100.1%
Net assets	2,341	2,712	371	115.8%

FY18 Financial Summary by Segments

Demae-can business



Mail order business

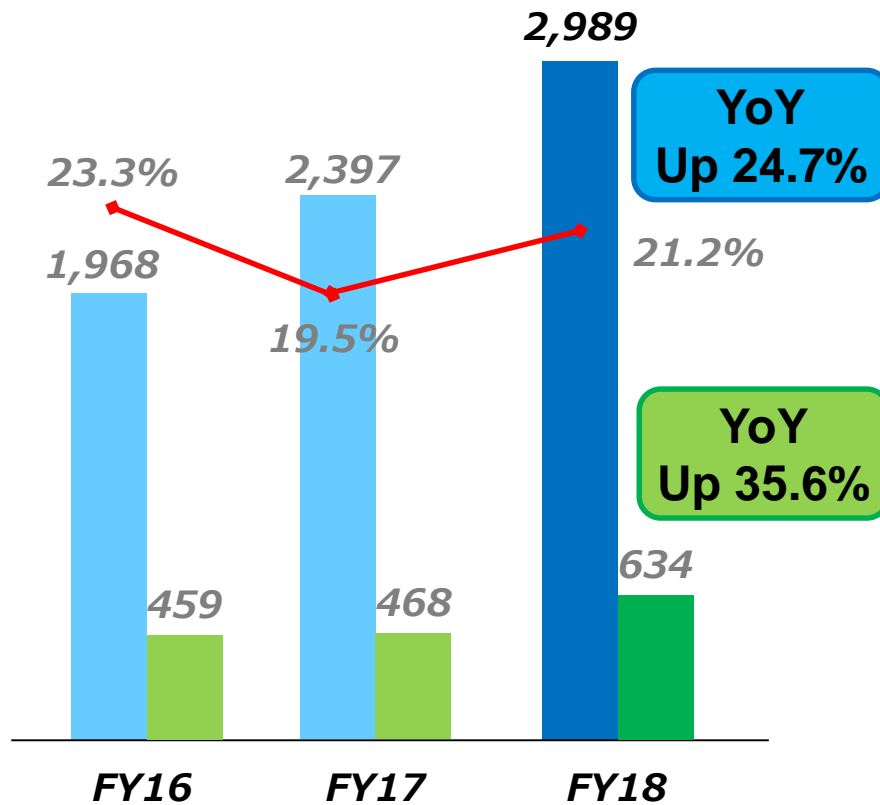


■ Net sales ◆ Operating margin
■ Operating profit ■ Net sales by Delis

FY18 Financial Summary by Segments

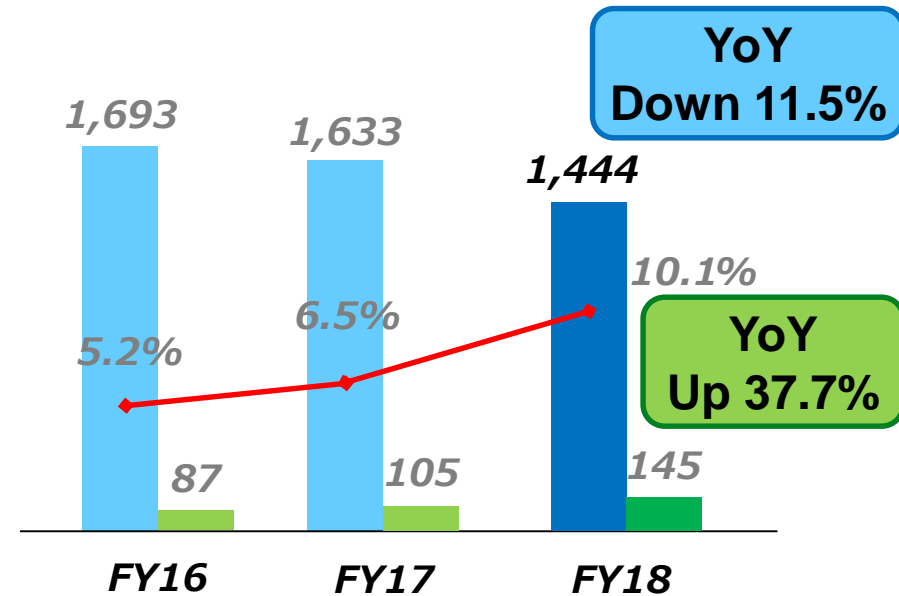
Demae-can business (Excluding Delis)

(Millions of yen)



Mail order business

(Millions of yen)

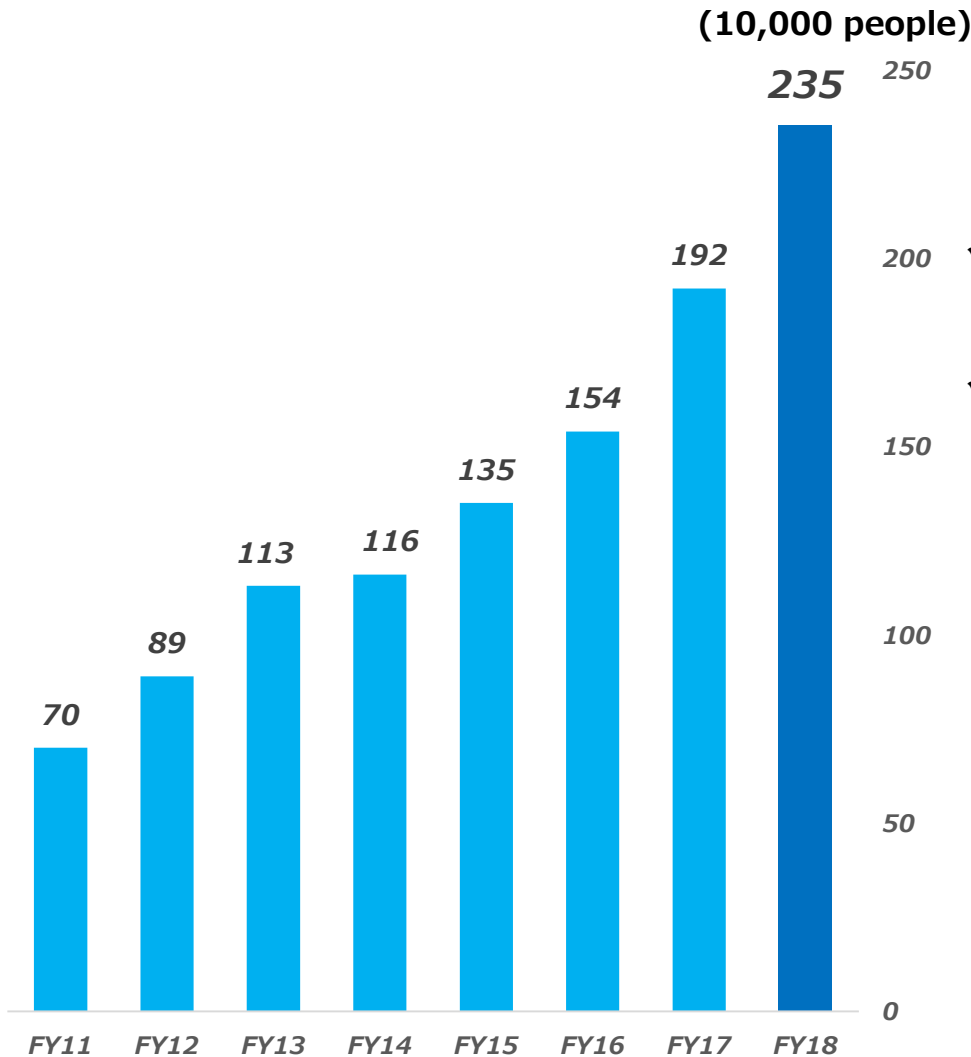


■ Net sales ↗ Operating margin
■ Operating profit

- 1. Progress of active users**
- 2. Progress of affiliated stores**
- 3. Progress of orders**

FY18 KPI① Progress of active users

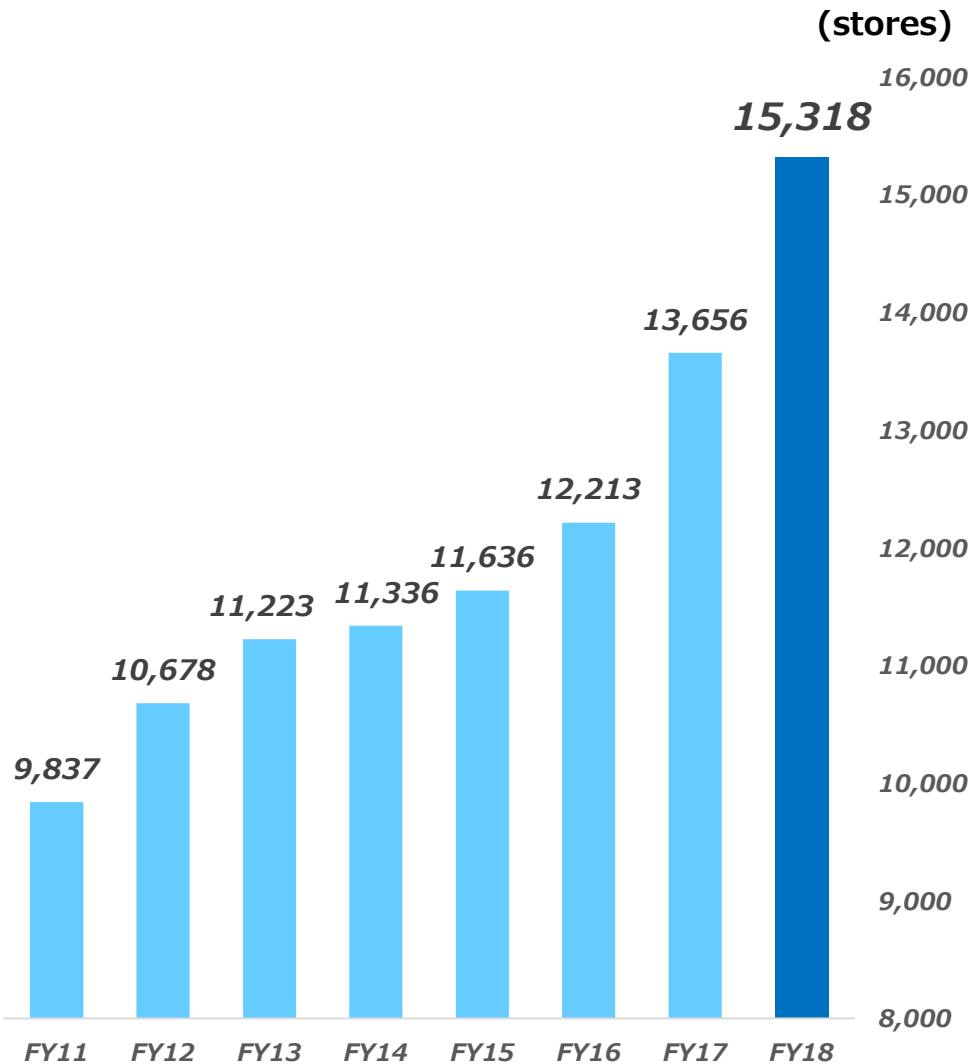
The number of active users (End of Aug.)



- ✓ The number of active users increased approximately 23% year on year.加
- ✓ Factors contributing to the increase in the number of active users:
 - (1) A service allowing guests (non-registered users) to place orders that was added in October 2016 helped increase convenience for new users.
 - (2) New users were acquired through activities to raise recognition such as TV ads.
 - (3) Strategies to promote the use of the services such as discounts of 50% at maximum proved effective.

FY18 KPI② Progress of affiliated stores

The number of affiliated stores (End of Aug.)

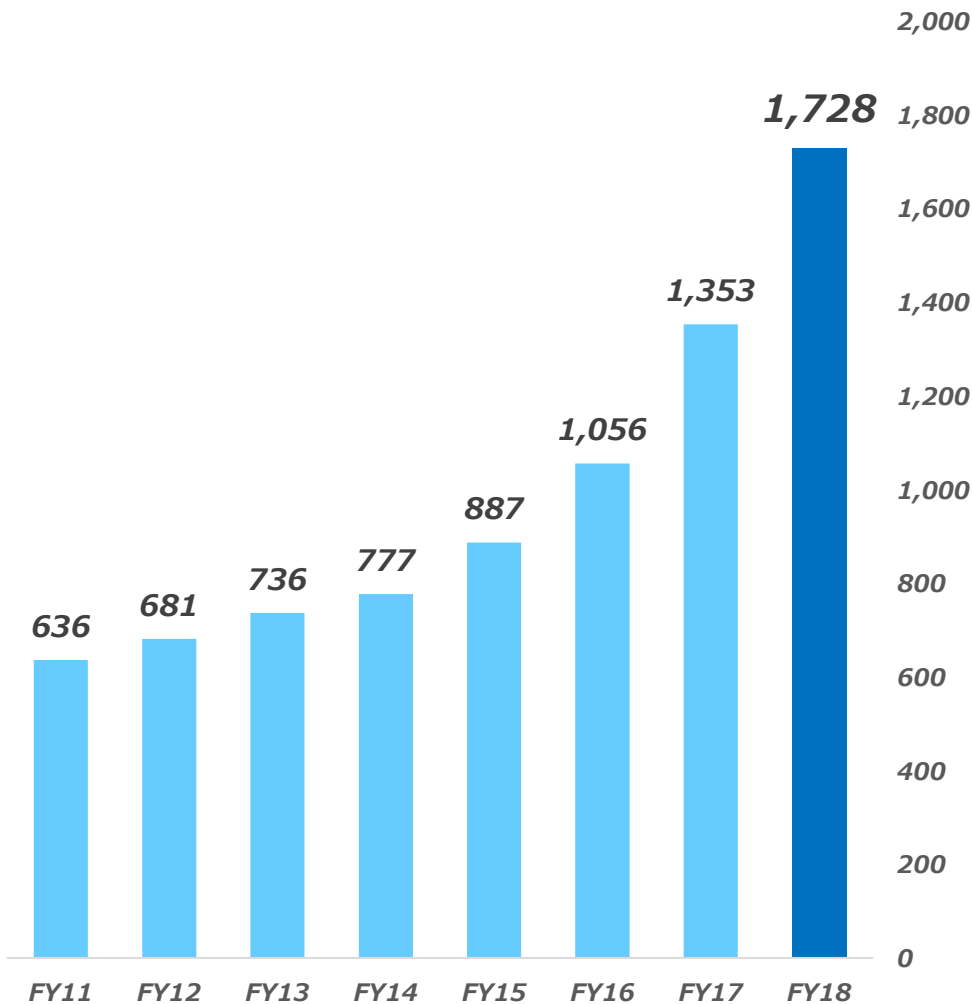


- ✓ The number of affiliated stores increased approximately 12% year on year.
- ✓ Factors contributing to the increase in the number of affiliated stores:
 - (1) Acquiring member restaurants through continuous marketing activities
 - (2) Increase in requests for membership made by stores as a result of increased recognition of Demae-can
 - (3) Increase in affiliated stores as a result of the introduction of Sharing Delivery™

FY18 KPI③ Progress of orders

The number of orders per year

(10,000 orders)



- ✓ The number of orders increased approximately 28% year on year.
- ✓ Factors contributing to the increase in the number of orders placed:
 - (1) Growth based on an increase in active members
 - (2) User satisfaction raised by a larger number of member restaurants
 - (3) Better convenience achieved by promoting the online payment service
 - (4) User demographics expanded through the alliance with Line Corporation such as Line Delima
 - (5) Recognition raised by TV ads and the effect of promotion through various programs

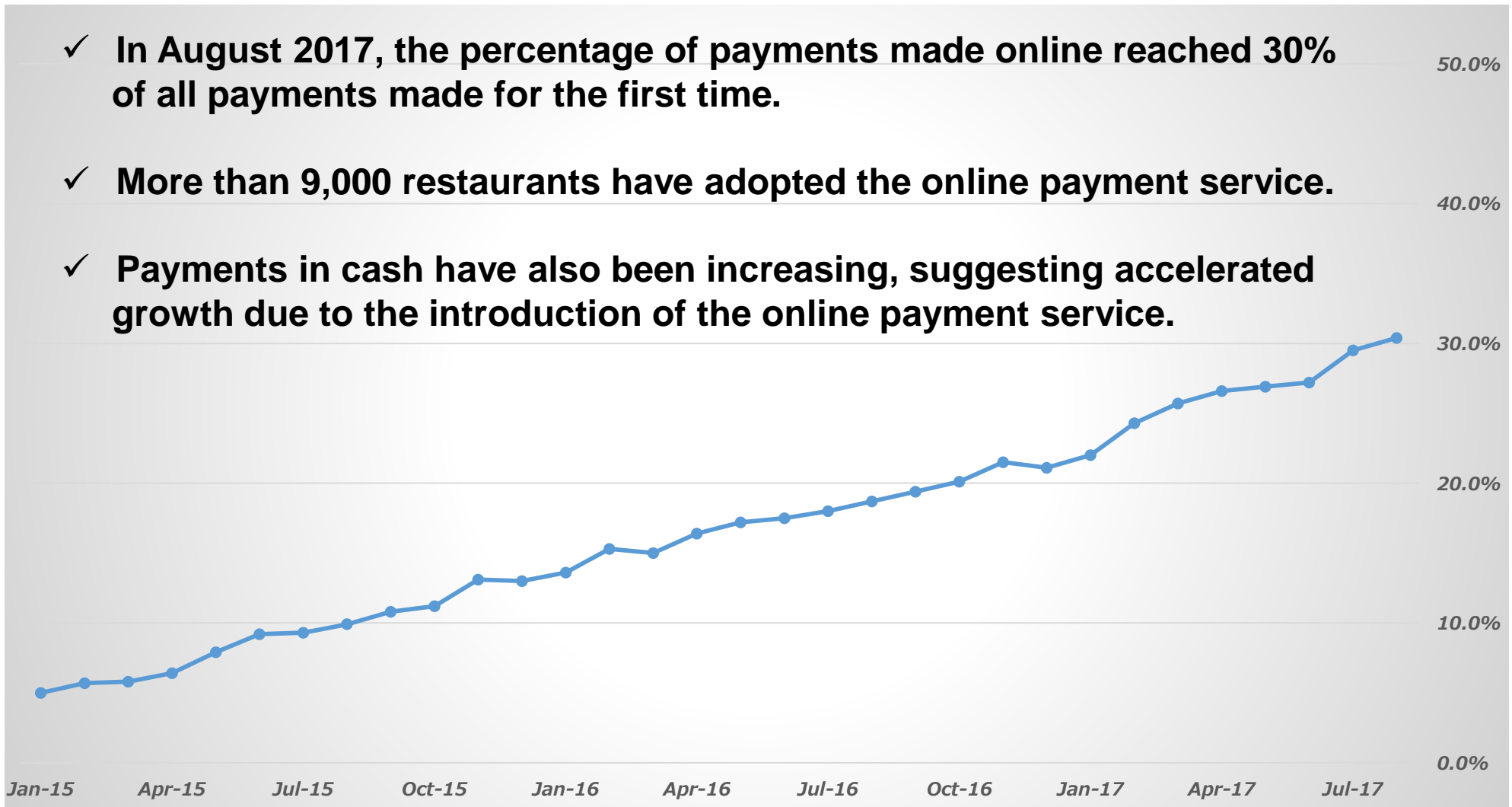
FY18 Key Growth Strategy

- 1. Online payment**
- 2. Sharing Delivery™**
- 3. LINE DELIMA**

FY18 Key Growth Strategy① Online Payment

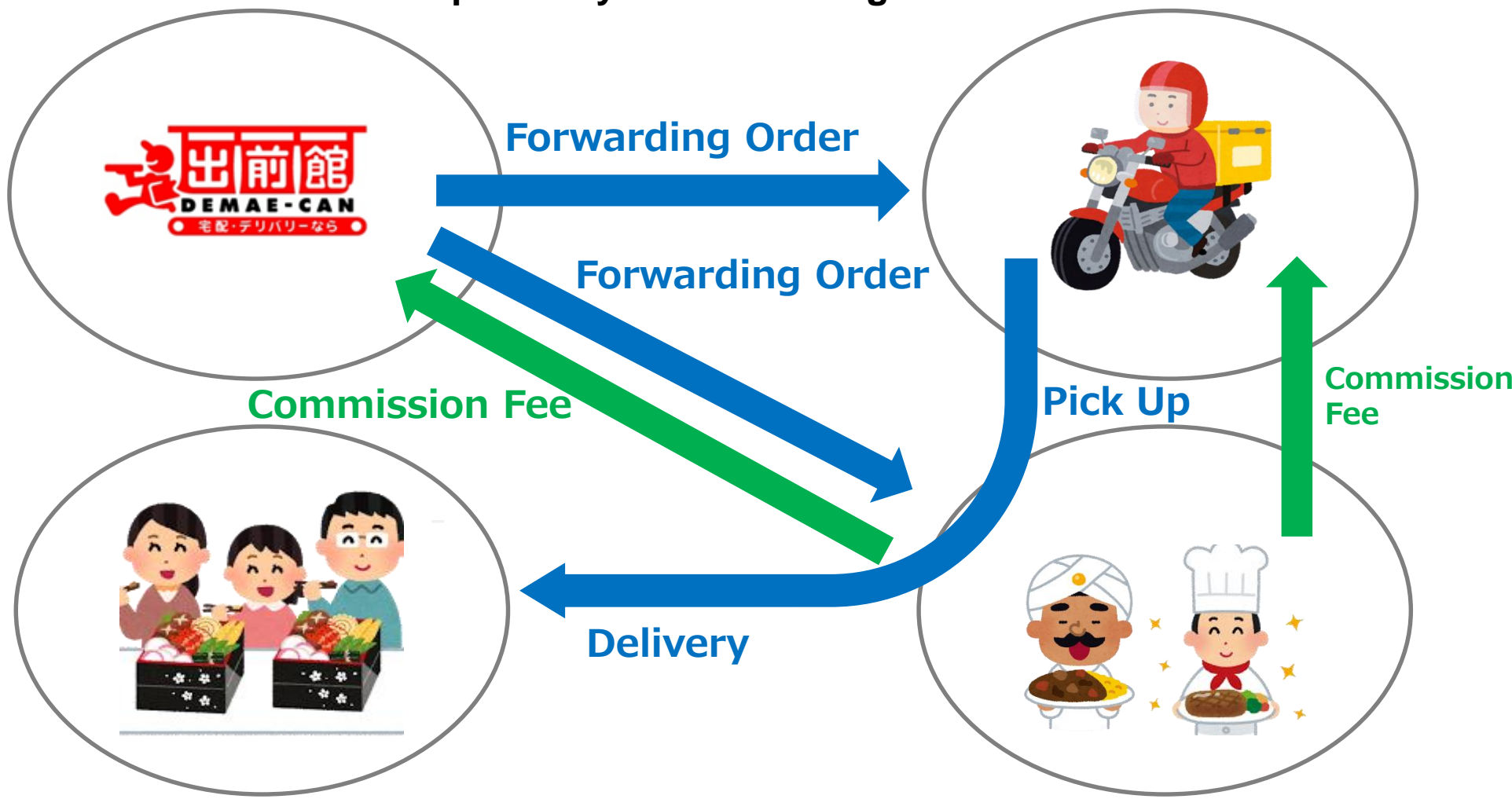
Progress of online payment ratio (Jan. 2015 – Aug. 2017)

- ✓ In August 2017, the percentage of payments made online reached 30% of all payments made for the first time.
- ✓ More than 9,000 restaurants have adopted the online payment service.
- ✓ Payments in cash have also been increasing, suggesting accelerated growth due to the introduction of the online payment service.



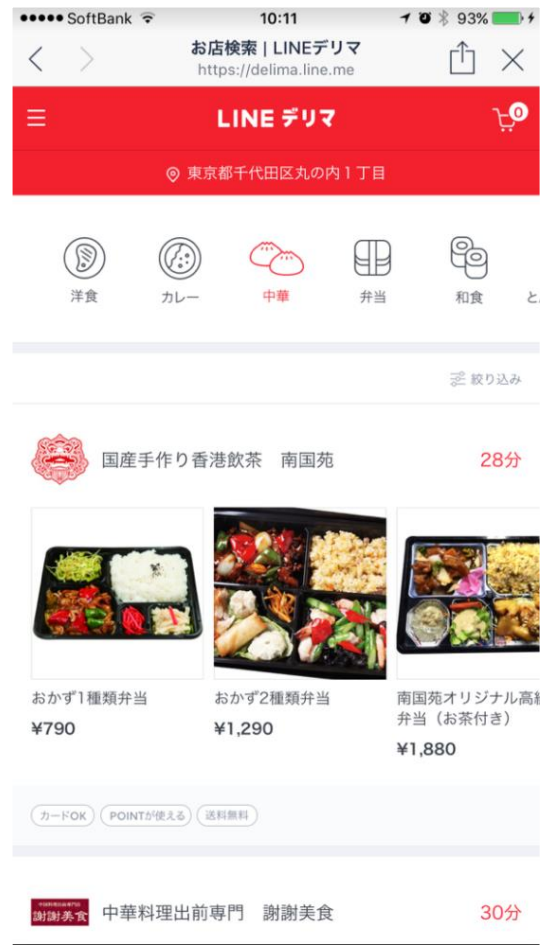
FY18 Key Growth Strategy② Sharing Delivery™

- The business alliance established with The Asahi Shimbun Company in December 2016 has accelerated the opening of offices.
- 10 offices had been opened by the end of August 2017.



FY18 Key Growth Strategy③ LINE DELIMA

The number of members registered for the service that was launched on July 26, 2017 has steadily increased, exceeding 1.5 million 50 days after commencing.



Agenda

1. FY18 Consolidated Financial Review
- 2. FY19-FY21 Medium-Term Management Plan**

Transition in size of Food Delivery Market

(100 millions of yen)



- ✓ The food delivery market continues growing gently.
- ✓ The market is experiencing a moderate increasing trend, with online orders driving the entire market, amid sluggish growth in offline orders.

(Source) Yano Research Institute Ltd. Food Delivery Service Market 2017
 ※ Total only of the restaurant except for convenience stores, supermarkets, etc.
 ※ Forecast is current at August 2017, FY is from Apr. to Mar.

Mid-Term Plan; Basic Policy

(FY21)Aug. 2020

The Company achieved the distribution amount of 120 billion and in moving on to the next step
→normalizing the operating margin

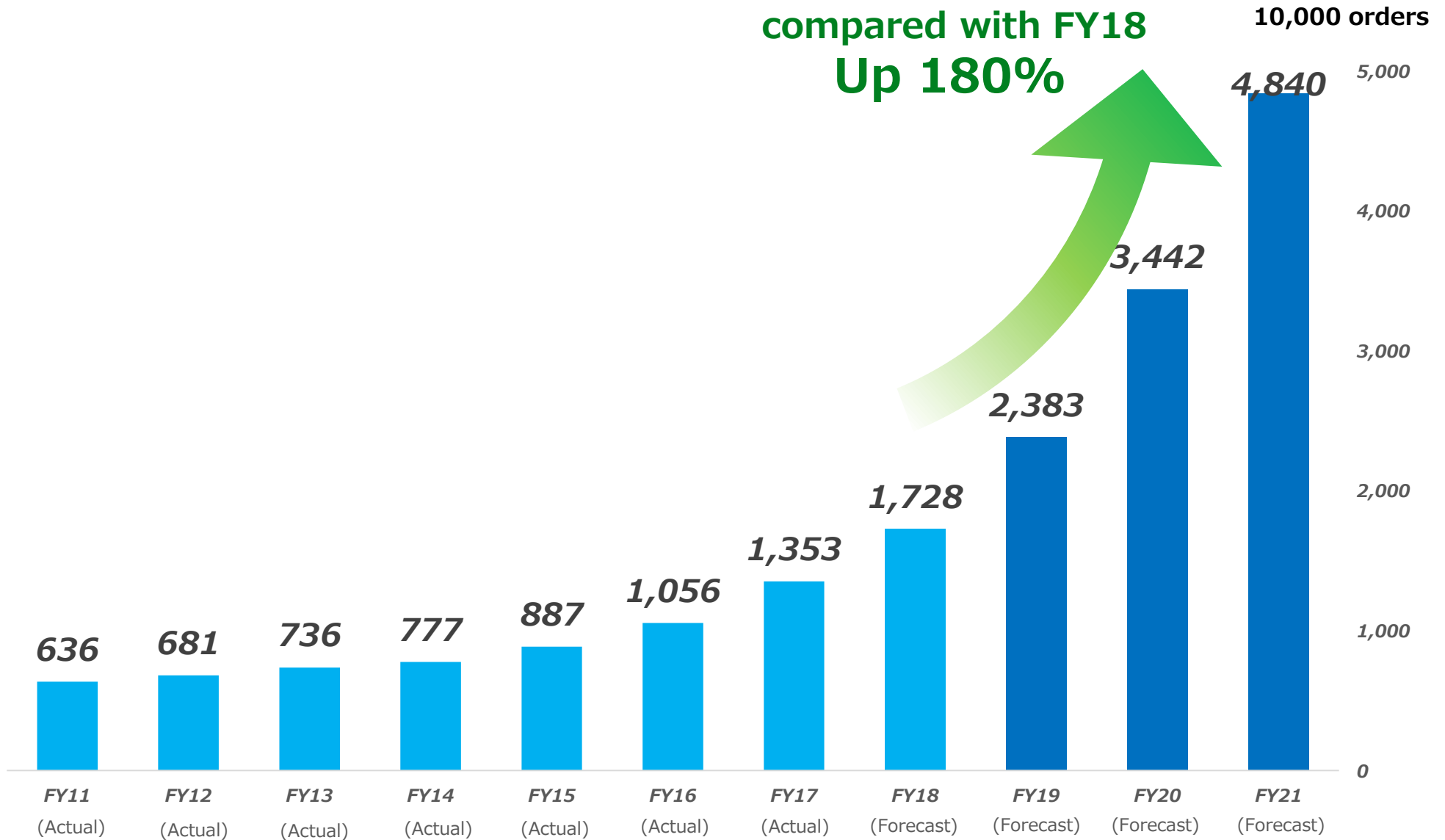
(FY20)Aug. 2019

Continuous made to raise the cost effectiveness
→helping to increase the operating margin

(FY19)Aug. 2018

Active investment made to raise the growth rate of orders
→Temporarily reducing the operating margin

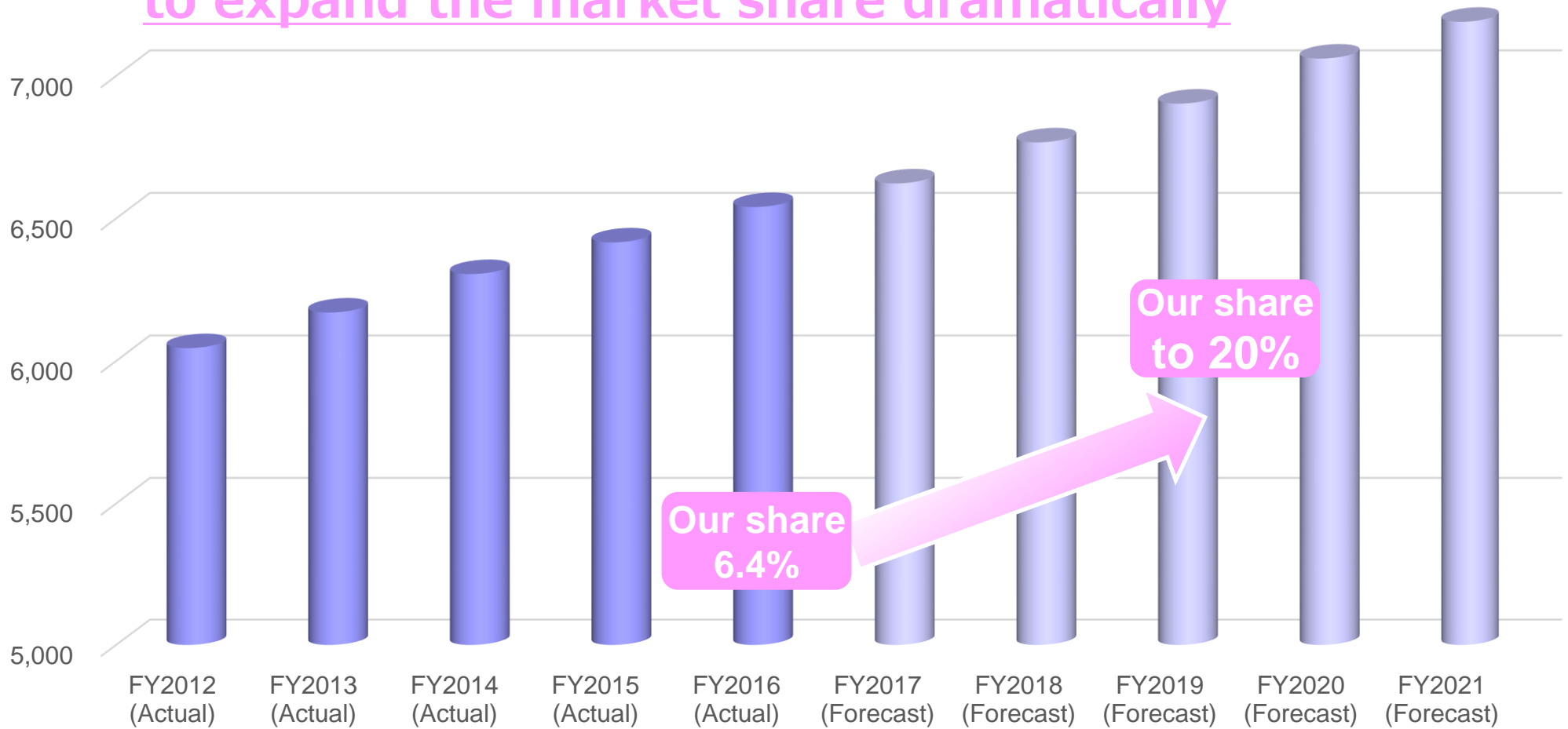
Mid-Term Plan; Target of the number of orders



Expanding the Market Share by Mid-Term Plan

(100 millions of yen)

**By achieving the target of mid-term plan,
to expand the market share dramatically**

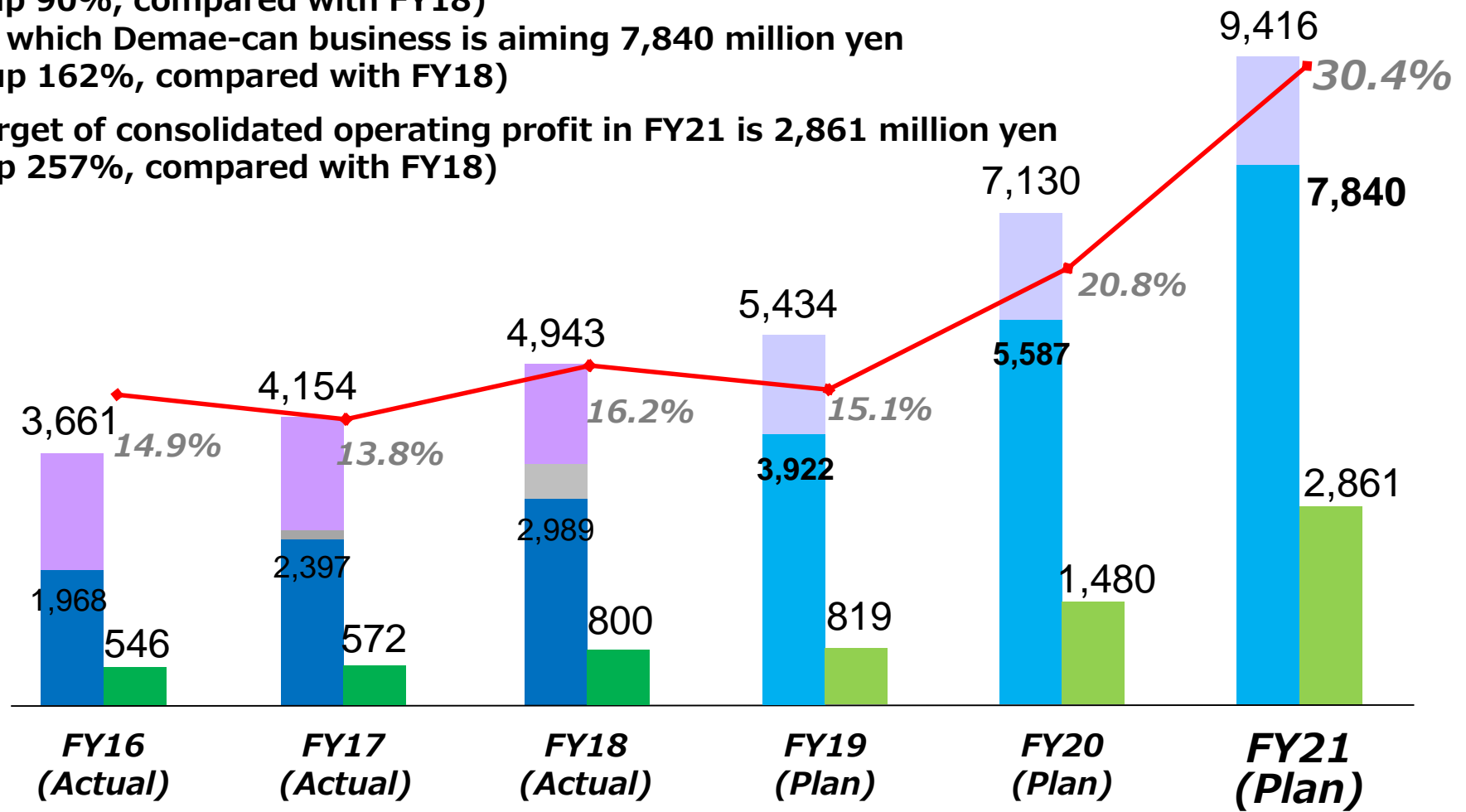


(Source) Yano Research Institute Ltd. Food Delivery Service Market 2017
 ※ Total only of the restaurant except for convenience stores, supermarkets, etc.
 ※ Forecast is current at August 2017, FY is from Apr. to Mar.

Mid-Term Plan; Consolidated Financial Forecast

- Target of consolidated net sales in FY21 is 9,416 million yen (up 90%, compared with FY18)
Of which Demae-can business is aiming 7,840 million yen (up 162%, compared with FY18)
- Target of consolidated operating profit in FY21 is 2,861 million yen (up 257%, compared with FY18)

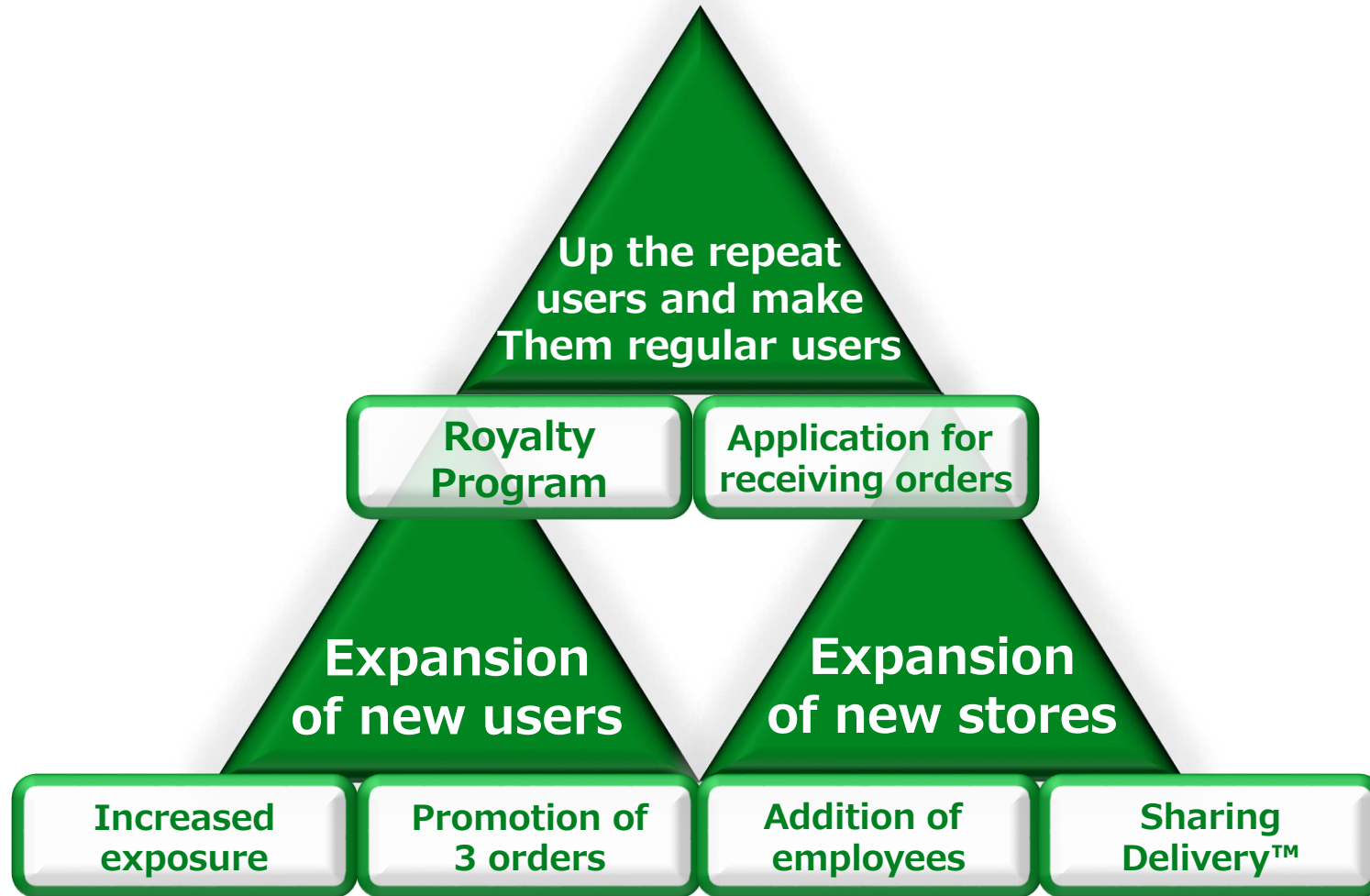
(Millions of yen)



* Net sales of Delis is excluded from the sales of Demae-can business in FY17 & FY18 (is the net sales from Dslis)

■ Net sales (Demae-can business) ■ Operating profit
■ Net sales (Mail order business) ↗ Operating margin

FY19 Key Strategy



Increased exposure

1. Temporarily raise the marketing cost of the main online advertising to increase the potential user population.
2. Show TV ads that are effective in raising recognition in the completed store area .
3. Start using motorcycles and bicycles that ride around for Sharing Delivery as “moving ads.”

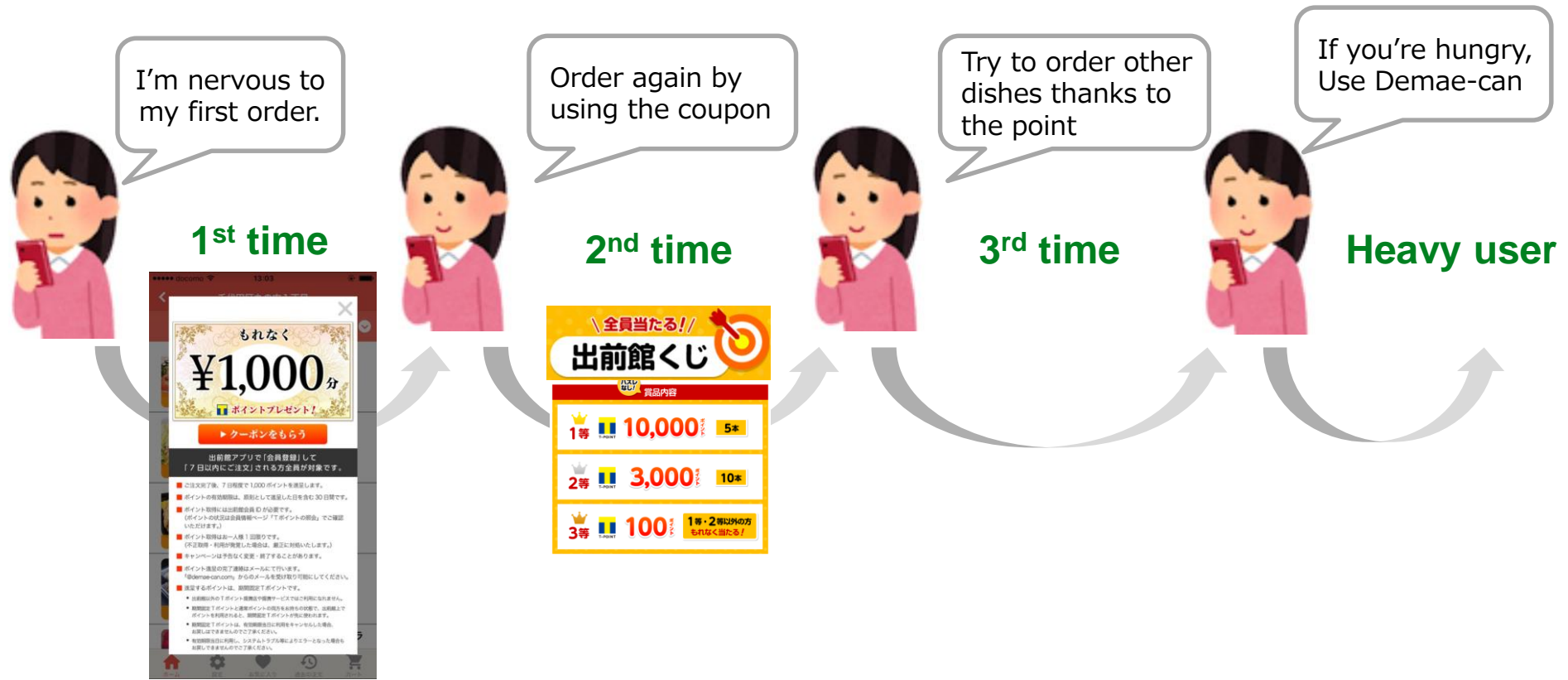


Implement branding using common images

FY19 Key Strategy② Promotion of 3 orders

Promotion of 3 orders

Create a strong guide to encourage users to place orders three times, which is when the rate of withdrawal from the service drops rapidly.



FY19 Key Strategy③ Royalty Program

Royalty program

Incentive programs, etc. based on the number of orders placed will be implemented (planned to start in November) to increase the percentage of members with high loyalty (a large number of repeat orders)

ランク	年間注文回数	誕生日特典	キャンペーン 先行案内※	プライベート クーポン※	シークレット 特典
 ゴッド	60回～	1,000pt	○	○	○
 ゴールド	30～59回	500pt	○	○	-
 シルバー	10～29回	300pt	○	-	-
 ブロンズ	3～9回	200pt	-	-	-
 レギュラー	0～2回	-	-	-	-



FY19 Key Strategy④ Sharing Delivery™

As the profitability of the stores began stabilizing, the store development team started working in the Kansai area as well.

Sharing Delivery™

■ Launched

- Makuhari area (Chiba Pref.)
- Tachikawa area (Tokyo)
- Sagami-ono area (Kanagawa Pref.)
- Rokkakubashi area (Kanagawa Pref.)
- Machida area (Tokyo)
- Meguro area (Tokyo)
- Tenjin area (Fukuoka Pref.)
- Omiya area (Saitama Pref.)
- Kawasaki area (Kanagawa Pref.)
- Fujisawa area (Kanagawa Pref.)
- Koenji area (Tokyo)

■ Planning

- Nerima area (Tokyo)
- Hirakata area (Osaka Pref.)

Plan to open 2-3 areas per month



Plan to join popular restaurant chain in future

Application for receiving orders

As an evolution from the conventional fax and telephone systems, the Company will launch an application for restaurants to use an order management and delivery navigation system utilizing smartphones. (by the end of this month)



NTT DOCOMO 11:57

出前館 DEMAE-CAN 配達済非表示

お客様情報 注文番号: 1418434102 受取時間: 11:53 お届け時間: 12:13

氏名: 出前太郎様(guest) 店舗利用: 0回 / 出前館利用: 0回

住所: 神奈川県相模原市南区相模大野

電話: 090-1234-5678

備考:

注文内容 店舗: 吉野家 相模大野駅前店 ▲

商品名	単価	数量	金額
1. 丼・皿 牛丼 大 830円	830	1	830
2. 丼・皿 牛カルビ丼 大 1,020円	1,020	1	1,020

合計注文数 : 5個
小計 : 2,330円
送料値引計 : 300円
ポイント利用: 0円
請求金額合計: 2,630円

現在60分 → 変更なし

子機1 配達一郎

待ち時間変更 管理・集計 代金引換 配達指示

Base unit (Tablet)



出前館 DEMAE-CAN 子機2(個店) 一覧に戻る

出前太郎様 受取時間: 10:23
お届け時間: 10:43

大阪府大阪市中央区北久宝寺町3丁目1-1-1

領収書宛名: 夢の街創造委員会株式会社

*いつもすみません、よろしくお願ひいたします。

注文内容

アカチャンホンポ 大阪本町店

電話する 配達完了

Extension (Smartphone)

FY19 Consolidated Financial Forecast

【FY19 KPI Target】

	FY18 Actual	FY19 Target	Year on year Difference	Year on year Comparison
Orders (10,000)	1,728	2,383	655	137.9%
Affiliated stores	15,318	17,071	1,753	111.4%
Active users (10,000)	235	314	79	133.2%

【FY19 Consolidated Financial Forecast】

Millions of yen	FY18 Actual	FY19 Forecast	Year on year Difference	Year on year Comparison	FY19 Sales ratio
Net sales	4,943	5,434	491	109.9%	100.0%
Operating profit	800	819	19	102.4%	15.1%
Ordinary profit	797	824	26	103.3%	15.2%
Profit attributable to owners of parent	432	478	46	110.7%	8.8%



Thanks for your kind attention.