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Notice of Formulation of Medium-Term Management Plan

The Yume no Machi Souzou Iinkai Group announces the overview of its medium-term management plan for the three years from fiscal 2018 (the fiscal year ending August 31, 2018) to fiscal 2020 (the fiscal year ending August 31, 2020), which the Group has recently formulated.

1. Basic policy

We will significantly increase net sales and operating profit in fiscal 2020 (ending August 31, 2020), the final year of the medium-term management plan, by achieving dramatic growth that far exceeds market growth through active investments to acquire market share in our Demae-can business, the main business of the Group.

2. Growth strategy

The food delivery market is experiencing a moderate increasing trend, with online orders driving the entire market, amid sluggish growth in offline orders. In the Demae-can business, the Group maintains its position as the No. 1 company of the delivery portal site, but recognizes that maintaining a higher growth rate is necessary to establish an absolute position. The Group aims to expand its market share dramatically in the next three years by achieving annual growth of about 40%, far exceeding the growth of the overall market. For this purpose, the Group will actively promote the following measures during the period of the medium-term management plan.

(1) Active investment to sharply increase the number of Demae-can fans

We will sharply increase the number of Demae-can fans by increasing the visibility of Demae-can through greater exposure and actively implementing measures to entrench the use of the site.

(2) Development of stores to expand the market

We will invigorate the delivery market by dramatically increasing the number of home delivery stores through the delivery agent service using Sharing Delivery™, which we commenced in earnest in the previous fiscal year, in addition to the continuous development of stores that offer home delivery.

(3) Measures to improve store operation

We will contribute to improvements in the operational efficiency of stores by reducing their operational burdens through the introduction of more efficient systems by capturing changing needs for store operation.

3. Performance targets (consolidated)

	Medium-term management plan (FY ending August 31, 2018 to FY ending August 31, 2020)			
	FY2017/8 (Actual results)	FY2018/8 (Plan)	FY2019/8 (Plan)	FY2020/8 (Plan)
Number of orders (10 thousand orders)	1,728	2,383	3,442	4,840
Net sales (Millions of yen)	4,943	5,434	7,130	9,416
Operating profit (Millions of yen)	800	819	1,480	2,861

* The Group utilizes the rolling method, by which the Group reviews the medium-term management plan every year to respond more appropriately to changes in the business environment.

Note:

Financial results forecasts and future predictions stated in this material are those that the Group has determined based on information available at the present time, and they include potential risks and uncertainties. Accordingly, please note in advance that actual results may differ significantly from the projected figures stated in this material depending on changes in various factors.