



January 15, 2024

Consolidated Financial Results for the Three Months Ended November 30, 2023

Name of Company Demae-can Co., Ltd
 Stock exchange Standard of Tokyo Stock Exchange (Code 2484)
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Scheduled date of filing of quarterly report: January 15, 2024
 Scheduled start of dividend payment: -
 Supplementary materials for quarterly financial results: Yes
 Hosting quarterly financial results meeting: Yes (for institutional investors & analyst)

Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Consolidated financial highlights for the Year Ended November 30, 2023

(1) Operating results

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Three months ended			
	November 30, 2022		November 30, 2023	
		%		%
Net sales (Millions of yen)	12,193	17.9	12,107	(0.7)
Operating profit (Millions of yen)	(4,244)	-	(1,256)	-
Ordinary profit (Millions of yen)	(4,224)	-	(1,209)	-
Profit attributable to owners of parent (Millions of yen)	(4,237)	-	(1,211)	-
Profit per share (Yen):				
Basic	(32.19)		(9.16)	
Diluted	-		-	
Comprehensive income:	Three month ended November 30, 2023: (1,192) million yen, - % Three month ended November 30, 2022: (4,229) million yen, - %			

(2) Financial position

	As of	
	August 31, 2023	November 30, 2023
Total assets (Millions of yen)	54,746	52,576
Total net assets (Millions of yen)	42,340	41,147
Equity ratio (%)	77.3	78.3
Equity:	41,142 million yen (as of November 30, 2023) 42,335 million yen (as of August 31, 2023)	

2. Dividends

	Year ended August 31, 2023	Year ending August 31, 2024	Year ending August 31, 2024 (forecast)
Q1-end dividends per share (Yen)	-		
Q2-end dividends per share (Yen)	0.00		0.00
Q3-end dividends per share (Yen)	-		-
Year-end dividends per share (Yen)	0.00		0.00
Annual dividends per share (Yen)	0.00		0.00

Note: Revision to the dividends forecasts most recently announce: None
No dividend will be paid for the fiscal year ending August 31, 2024 (forecast).

3. Financial forecasts for the fiscal year ending August 31, 2024

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ending August 31, 2024	%
Sales (Billions of yen)	56.0	8.9
Operating profit (Billions of yen)	(8.0)	

(Note) Revisions to the most recently announced earnings forecasts: None

*Notes

- (1) Important changes in subsidiaries (Changes on specific subsidiaries associated with changes in scope of consolidation): None
- (2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes
- (Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Notes (3) Notes to Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)" on page 7 of the attached materials.
- (3) Changes in accounting policies, changes in accounting estimates and restatements
 1. Changes in accounting policies along with changes in accounting standards: None
 2. Other changes of accounting policies besides the number 1 above: None
 3. Changes in accounting estimates: None
 4. Restatements: None
- (4) Number of shares issued and outstanding (common share)
 1. Number of shares issued and outstanding (including treasury shares)
 - As of November 30, 2023: 132,421,230 shares
 - As of August 31, 2023: 132,421,230 shares
 2. Number of shares of treasury shares
 - As of November 30, 2023: 244,235 shares
 - As of August 31, 2023: 189,517 shares
 3. Average number of shares outstanding
 - As of November 30, 2023: 132,185,594 shares
 - As of November 30, 2022: 131,656,864 shares

*** These Consolidated Financial Results are not subject to audits by certified public accountants or audit corporations.**

*** Explanation of the appropriate use of financial forecast and other notes:**

- The financial forecasts and estimates provided in these Consolidated Financial Results are based on information available at the time of report issuance and certain assumptions judged to be reasonable by the

Company and are, therefore, not guarantees of future performance. Consequently, actual results may differ substantially from those described in these Consolidated Financial Results. Please refer to 1. Summary of Operating Results and Financial Position (3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements on page 4 for further details.

1. Summary of Operating Results and Financial Position

(1) Summary of Operating Results for the Fiscal Year under Review

During the fiscal year under review (September 1, 2023 to November 30, 2023), the Group sought to increase the satisfaction and retain users, riders, and merchants by making steady efforts to enhance the lineup of merchants in both the food and non-food areas, while enhancing the customer experience by improving the accuracy of the delivery time and the quality of customer service. Going forward, the Company will continue to offer services to be chosen by users, riders and merchants by focusing on the fundamental enhancement of service quality through the improvement of products, with an eye toward achieving its goal of making delivery part of everyday life.

On the cost side, the optimization of cost of sales progressed steadily. Advertising spendings were controlled focusing on cost effectiveness according to market trends.

Consequently, consolidated net sales for the fiscal year under review decreased by 0.7% year on year, to 12,107 million yen, accordingly, an operating loss of 1,256 million yen (operating loss of 4,244 million yen in the previous fiscal year), an ordinary loss of 1,209 million yen (ordinary loss of 4,224 million yen in the previous fiscal year), and a loss attributable to owners of parent of 1,211 million yen (loss attributable to owners of parent of 4,237 million yen in the previous fiscal year).

(2) Summary of Financial Position in the Fiscal Year under Review

1) Assets, Liabilities, and Net Assets

Current assets at the end of the first quarter under review amounted to 52,103 million yen, a decrease of 2,189 million yen from the end of the previous fiscal year. This was primarily due to decreases of 1,374 million yen in cash and deposits and 632 million yen in accounts receivable-other.

Non-current assets at the end of the first quarter under review amounted to 473 million yen, an increase of 18 million yen from the end of the previous fiscal year. This was mainly due to an increase of 20 million yen in investment securities.

As a result, total assets at the end of the first quarter under review amounted to 52,576 million yen, a decrease of 2,170 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first quarter under review amounted to 11,321 million yen, a decrease of 986 million yen from the end of the previous fiscal year. This decrease mainly reflected a decrease of 718 million yen in accounts payable-other.

Non-current liabilities at the end of the first quarter under review increased 8 million yen from the end of the previous fiscal year to 107 million yen. Key factors contributing to this increase included an increase of 8 million yen in other non-current liabilities.

As a result, total liabilities at the end of the first quarter under review amounted to 11,429 million yen, a decrease of 977 million yen from the end of the previous fiscal year.

Net assets amounted to 41,147 million yen, a decrease of 1,192 million yen from the end of the previous fiscal year. The decrease mainly reflected a decline in retained earnings due to the posting of 1,211 million yen as a loss attributable to owners of parent.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

There is no change to the full-year consolidated earnings forecast for the fiscal year ending August 31, 2024, which was announced in the "Consolidated Financial Results for the fiscal year ending August 31, 2023," released on October 13, 2023.

2. Consolidated Financial Statements and Notes to Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	40,906	39,532
Notes and accounts receivable—trade	158	123
Accounts receivable-other	12,414	11,781
Other	898	766
Allowance for doubtful accounts	(86)	(100)
Total current assets	54,292	52,103
Non-current assets		
Investments and other assets		
Investment securities	320	341
Guarantee deposits	126	124
Deferred tax assets	7	7
Other	6	8
Allowance for doubtful accounts	(6)	(8)
Total investments and other assets	454	473
Total non-current assets	454	473
Total assets	54,746	52,576
Liabilities		
Current liabilities		
Accounts payable - other	11,626	10,908
Income taxes payable	21	3
Provision for bonuses	35	20
Other	624	389
Total current liabilities	12,307	11,321
Non-current liabilities		
Other	98	107
Total non-current liabilities	98	107
Total liabilities	12,406	11,429
Net assets		
Shareholders' equity		
Capital stock	100	100
Capital surplus	54,166	54,166
Retained earnings	(11,959)	(13,171)
Treasury shares	(3)	(3)
Total shareholders' equity	42,303	41,091
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	32	50
Total valuation and translation adjustments	32	50
Share acquisition rights	4	4
Total net assets	42,340	41,147
Total liabilities and net assets	54,746	52,576

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	Year ended November 30, 2022	Year ended November 30, 2023
Net sales	12,193	12,107
Cost of sales	9,943	9,364
Gross profit	2,250	2,742
Selling, general and administrative expenses	6,494	3,999
Operating profit	(4,244)	(1,256)
Non-operating income		
Share of profit of entities accounted for using equity method	13	39
Settlement received	7	—
Other	4	8
Total non-operating income	24	47
Non-operating expenses		
Compensation for damage	0	0
Foreign exchange losses	3	—
Other	1	0
Total non-operating expenses	4	0
Ordinary profit	(4,224)	(1,209)
Extraordinary losses		
Loss on change in equity method	1	—
Total extraordinary losses	1	—
Profit before income taxes	(4,226)	(1,209)
Income taxes etc.	11	2
Profit	(4,237)	(1,211)
Profit attributable to owners of parent	(4,237)	(1,211)

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Year ended November 30, 2022	Year ended November 30, 2023
Profit	(4,237)	(1,211)
Other comprehensive income		
Valuation difference on available-for-sale securities	8	18
Total other comprehensive income	8	18
Comprehensive income	(4,229)	(1,192)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,229)	(1,192)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Adoption of special accounting methods for preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

With respect to the calculation of tax expenses, reasonable estimations are performed on an effective tax rate established after applying tax accounting to profit before income taxes for the consolidated fiscal year, which includes the first quarter of the consolidated fiscal year under review, and such tax expenses are calculated by multiplying this estimated effective tax rate by profit before income taxes. If the calculation of tax expenses using the estimated effective tax rate is extremely unreasonable, profit/loss before income taxes multiplied by the statutory tax rate is used and the recoverability of deferred tax assets is taken into consideration.

(Segment information)

Since the Group has only single business segment, the statement is omitted.