

Demaecan

FY 8/2024 1st Quarter Results

January 15, 2024

Business Highlights

Q1 FY8/2024 KPI Progress

- KPI results:
 - GMV¹: JPY 46.6 billion YoY 92%
 - Orders: 17.47 million YoY 89%
 - Active Users²: 6.18 million YoY 73%

Strategy Review

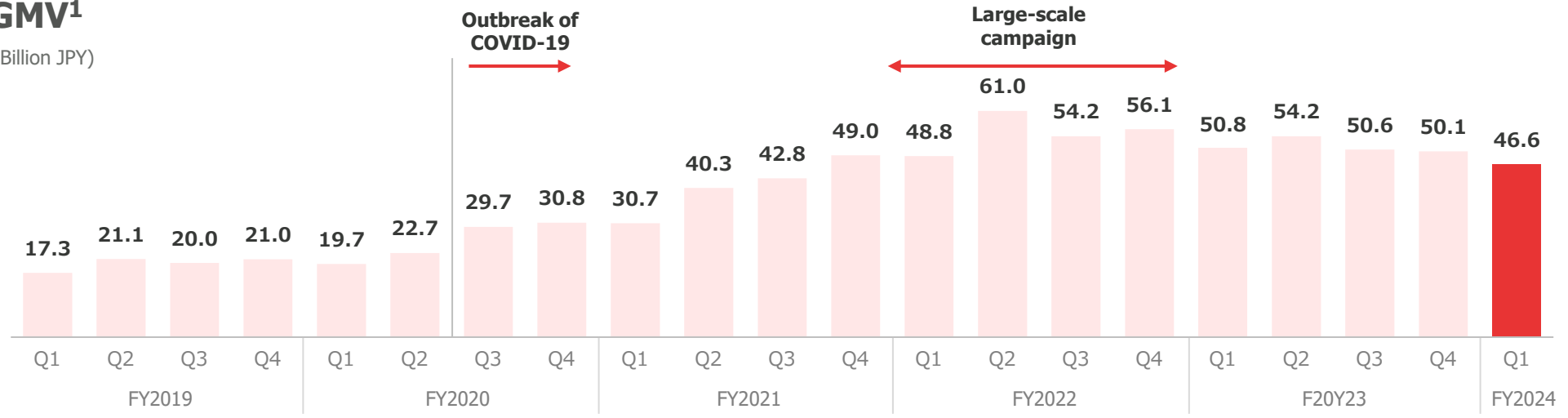
- Core user base and retention steadily expanding
- Strengthening collaboration with sports teams and local governments to expand local strategy
- Launching new quick commerce service on Yahoo! Shopping during summer of 2024

1. GMV (Gross Merchandise Value): item price + delivery fee before discount + other user fees
2. Active Users: users who placed more than one order within the last twelve months (unique users); as of the end of the quarter

Major KPIs

GMV¹

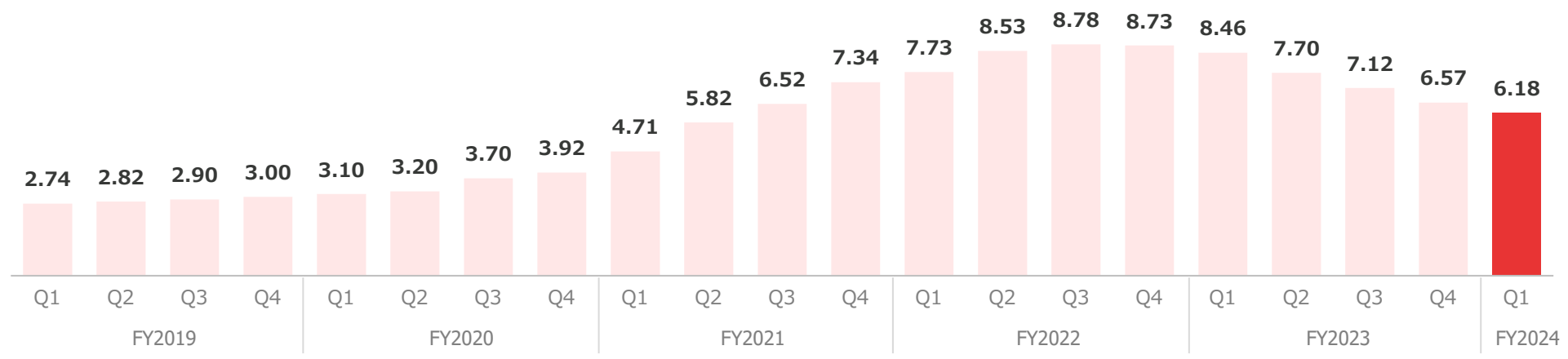
(Billion JPY)



Pre-covid
4yr CAGR
+24%

Active Users²

(Million)



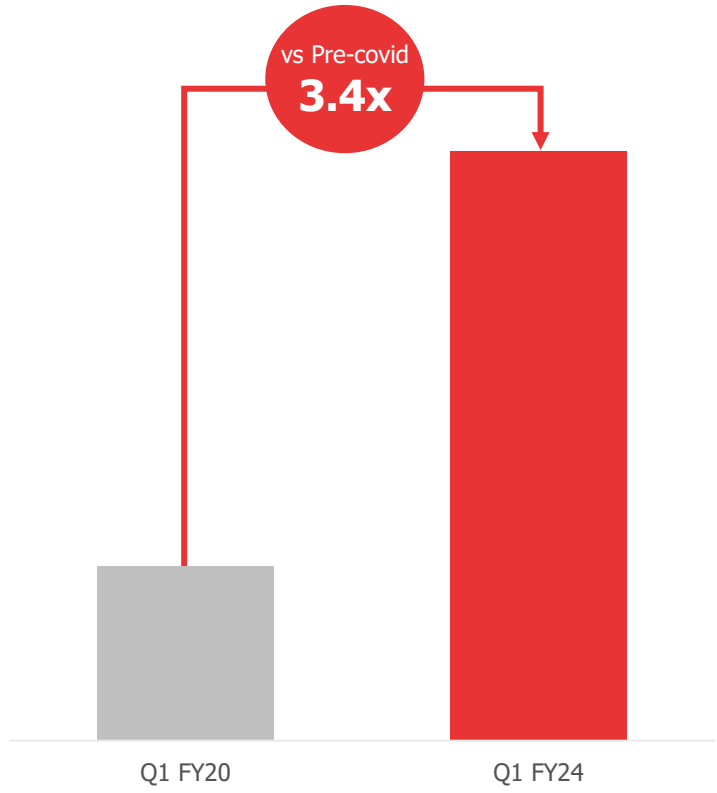
Pre-covid
4yr CAGR
+19%

1. GMV (Gross Merchandise Value): item price + delivery fee before discount + other user fees
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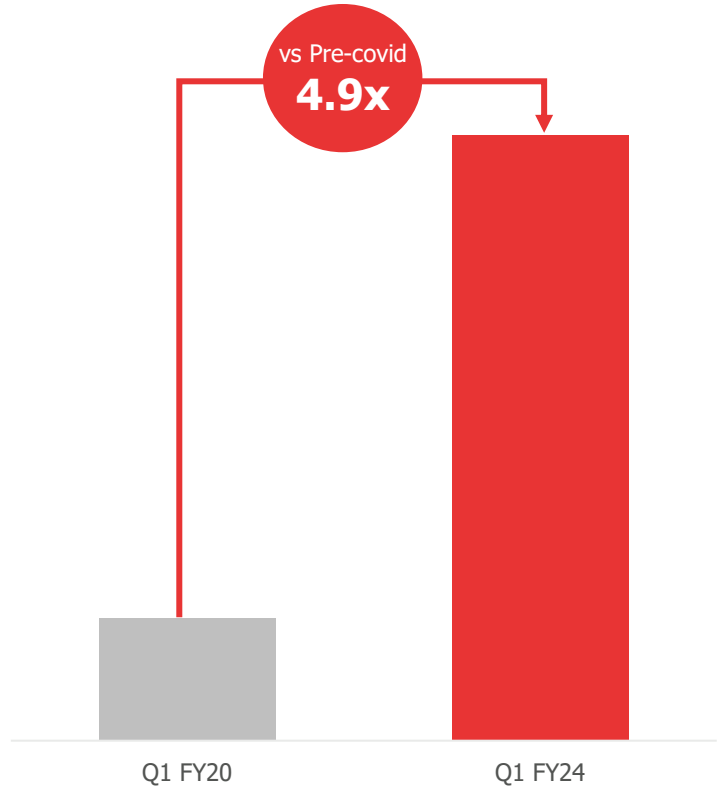
Retention of Core User

- ✓ Compared to pre-covid Q1 FY20, the number of core users grew 3.4x and GMV expanded 4.9x
- ✓ Order frequency has steadily increased

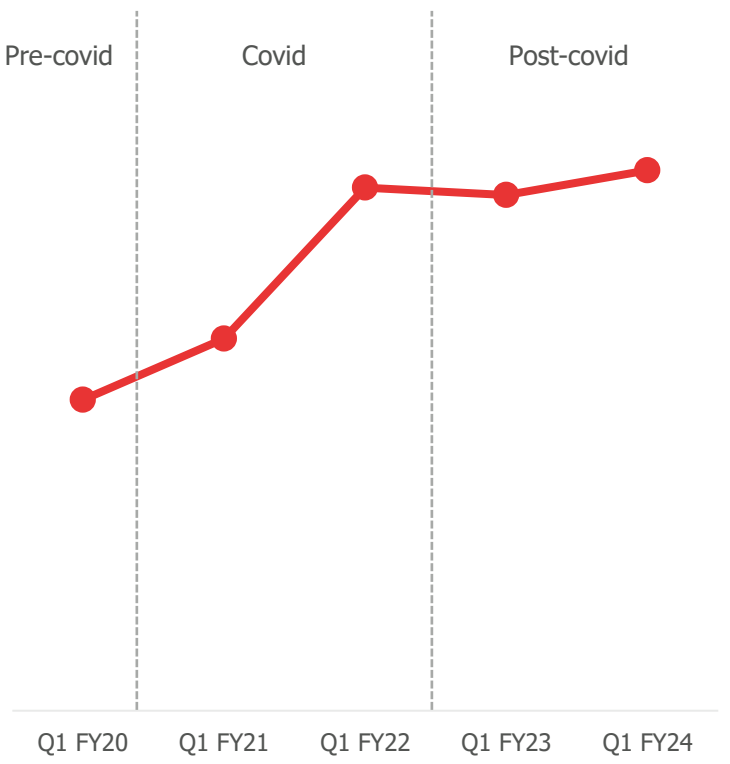
Core users



GMV of core user



Frequency trend of core user



1. Core user : users who order more than 4x per month

Local Strategy - Collaboration with Sports Teams and Local Governments

- ✓ Local campaigns achieved higher user and GMV growth rates compared to other area
- ✓ Encourage the use of delivery and increase user penetration in local area

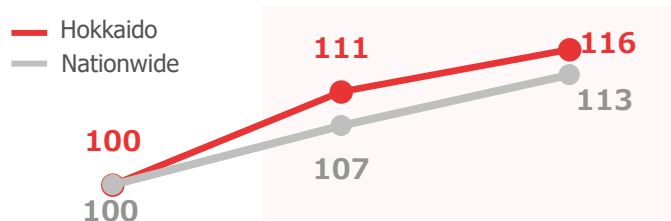
Campaign with sports team

Demaecan × Hokkaido Consadole Sapporo

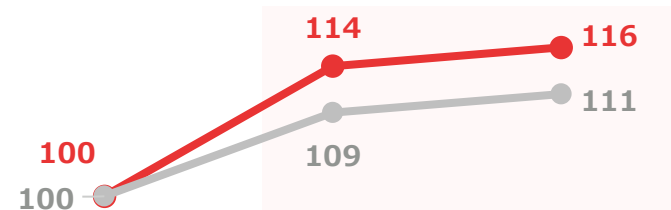


- Local campaign for participating stores in Hokkaido
- GMV increased by 132%¹

MoM growth rate of users²



MoM growth rate of GMV²



Campaign

Campaign with local government

Demaecan × Meguro-ku Shopping street

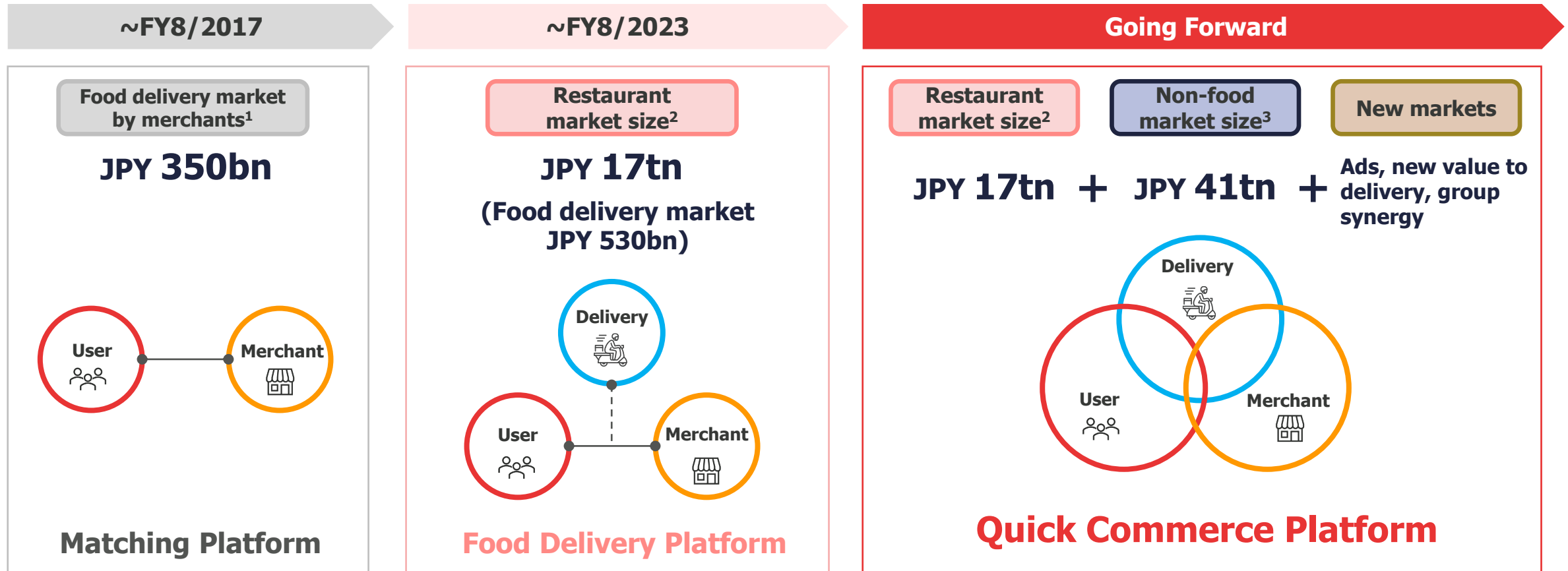


- Acquisition of merchants and users
- GMV increased for participating stores

1. Comparing the GMV of the week before the campaign and the week during the campaign
 2. The numerical value when the growth rate is set to 100 for September 2023

Expanding Delivery Platform

- ✓ Expanding the platform to explore untapped markets, driving business expansion and accelerating growth
- ✓ Focus on non-food markets and expand delivery opportunities



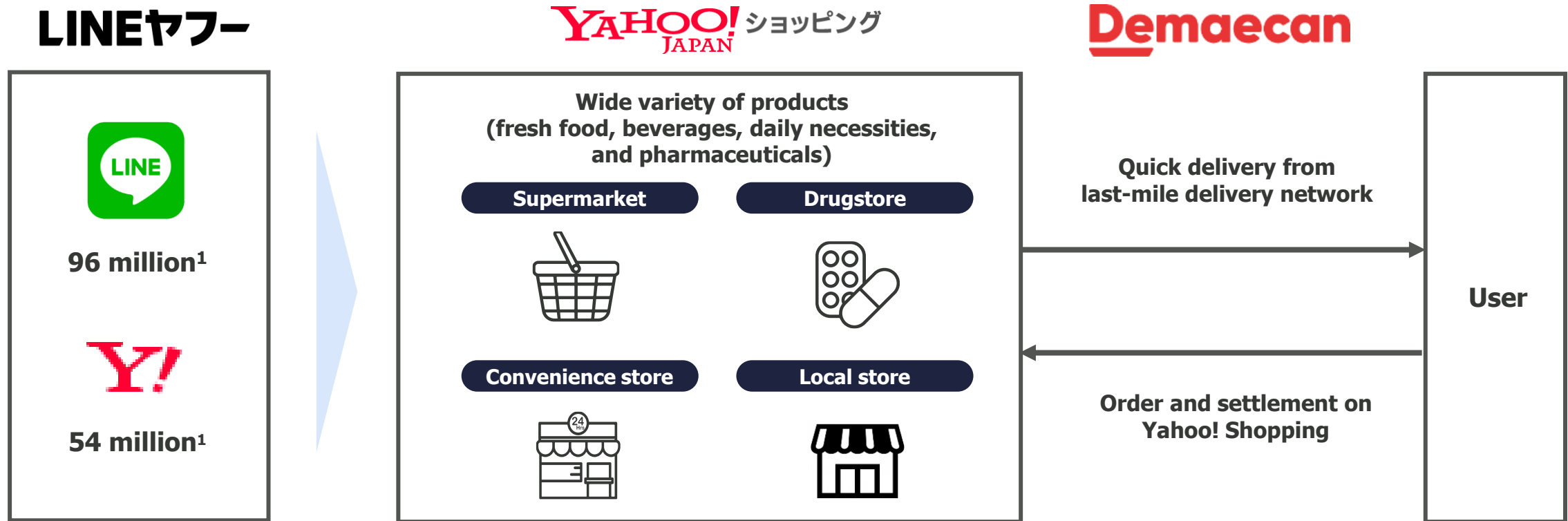
1. Source : Ministry of Economy, Trade and Industry; "FY2020 E-Commerce Market Survey - Scale of the Domestic B-to-C EC Market"

2. Source : Japan Foodservice Association; "Restaurant Market Size 2021"

3. Source : Yano Research Institute; "White Paper on Distribution and Retail Market 2022". The combined market size of supermarkets, convenience stores and drugstores

Launching Quick Commerce on Yahoo! Shopping in Summer of 2024

- ✓ Unique new service collaborating Yahoo! Shopping, Japan's major e-commerce mall, and Demae-can's last-mile delivery network
- ✓ Expand the delivery market by leveraging LINE Yahoo's customer base and increasing the product categories
- ✓ Provide new value to users for their quick delivery needs from a wide variety of non-food local stores



1. Number of monthly users as of the end of September 2023

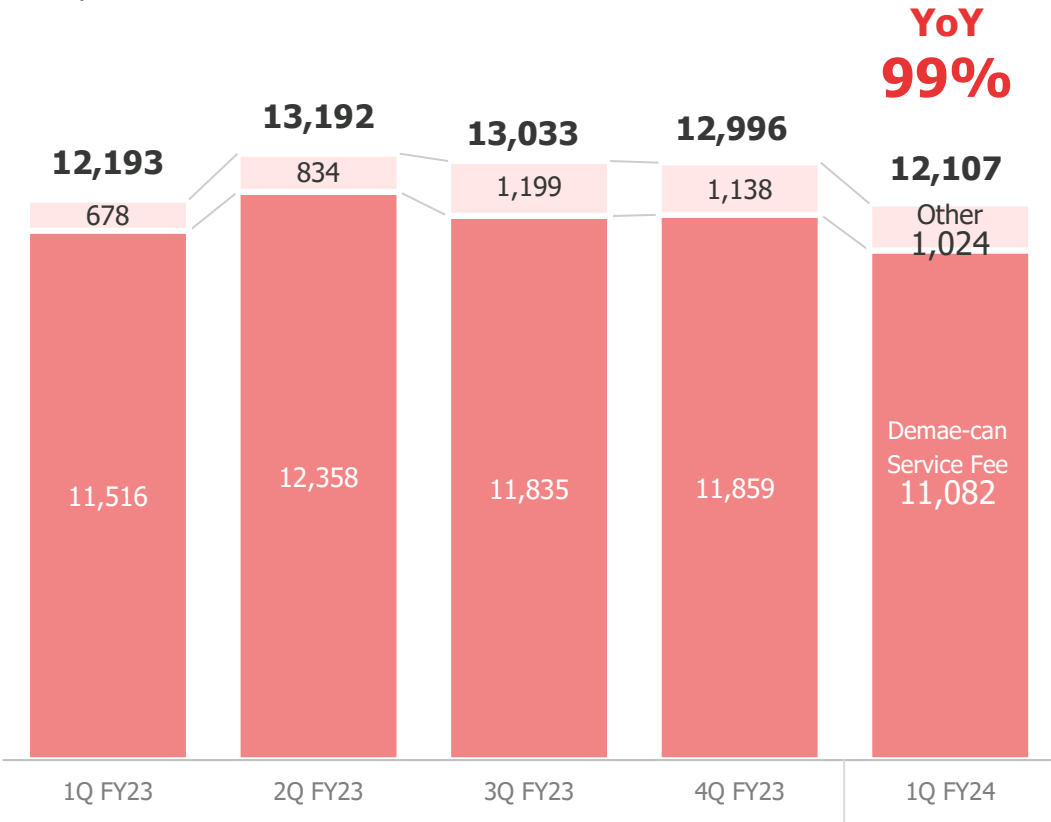
Financial Highlights

Revenue/Operating Cost

- ✓ Revenue resulted 99% YoY
- ✓ Operating costs declined 81% YoY due to optimization of delivery costs and continued disciplined investment

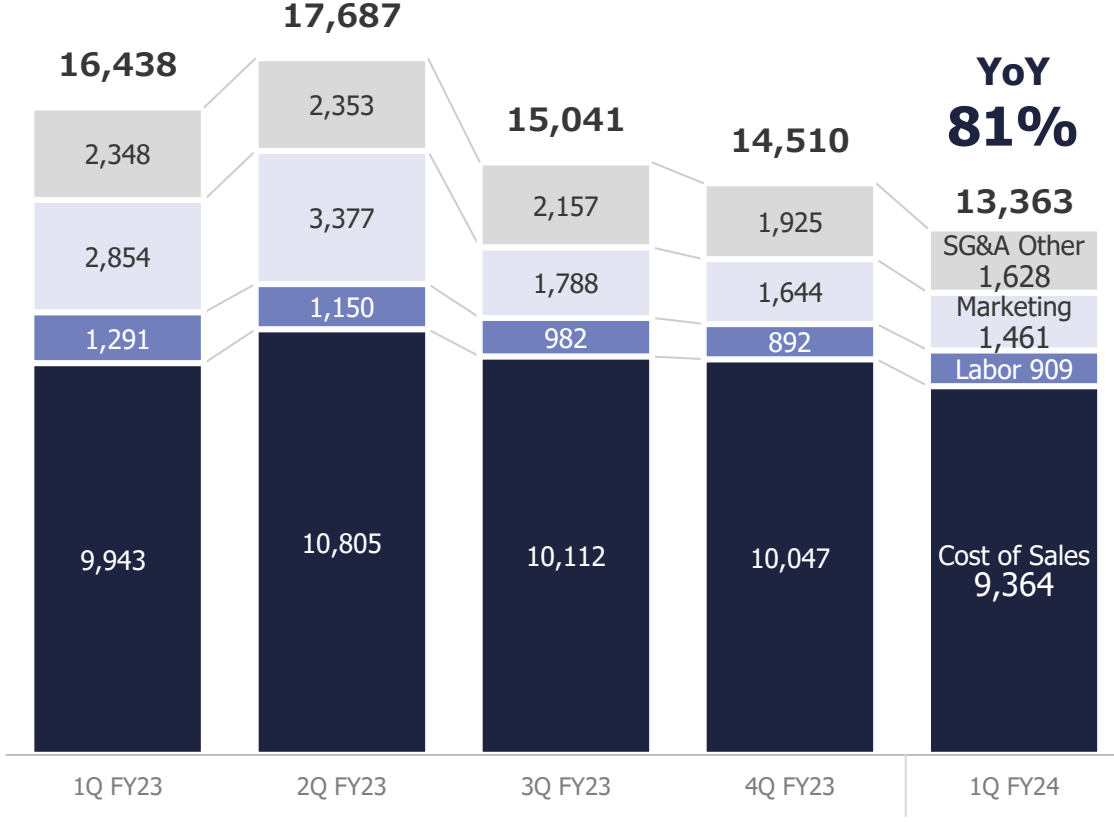
Revenue

(Million JPY)



Operating Cost

(Million JPY)



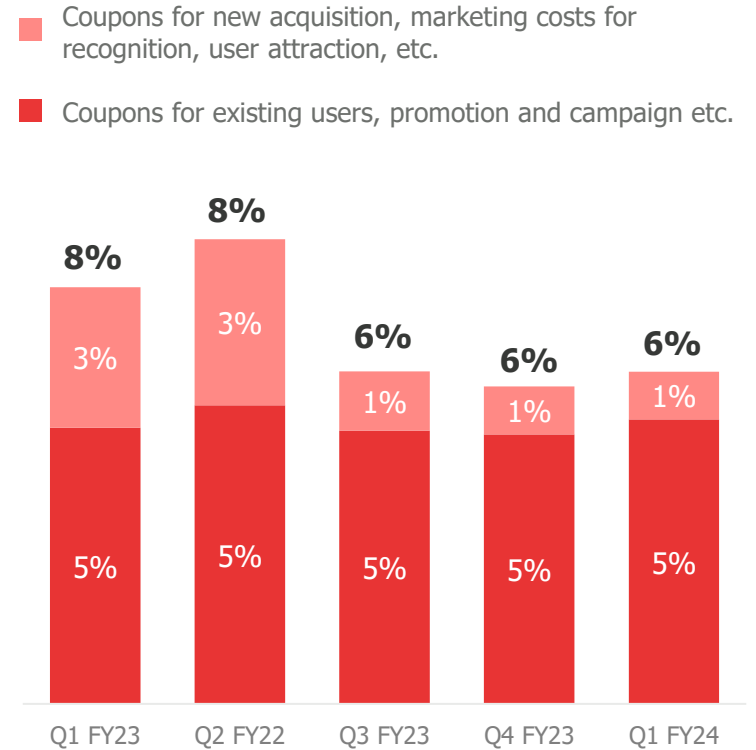
Decreasing Operating Expenses

- ✓ Contribution margin continue to improve due to optimization of delivery cost per order
- ✓ Marketing and sales promotion cost maintained at the same level as in the past two quarters. Mass marketing resumed in Q2

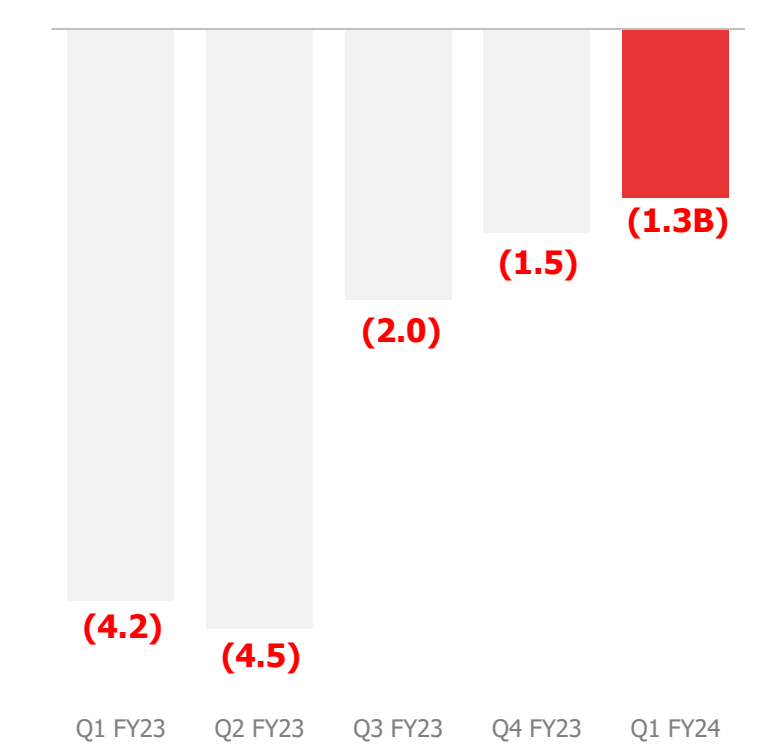
Gross margin¹



Marketing and sales promotion cost¹ (% of GMV)



Operating profit



1. Refer to P.14 for details

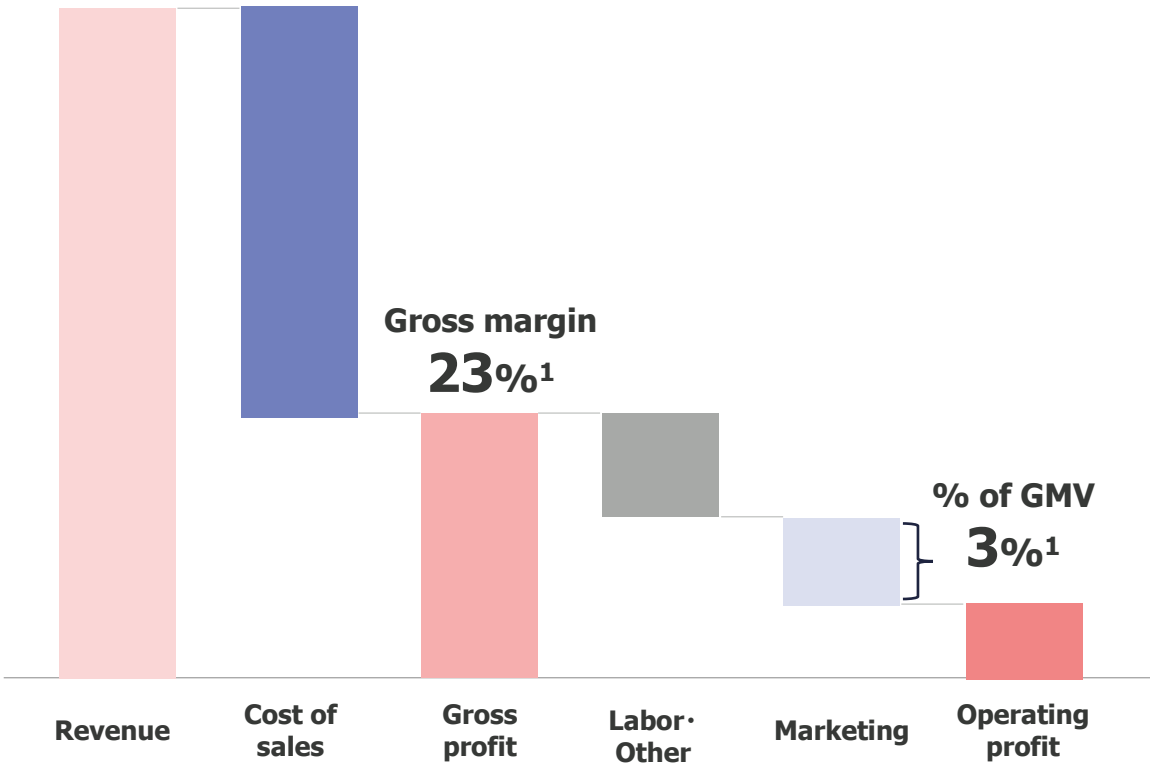
Appendix

Summary of Consolidated Income Statement

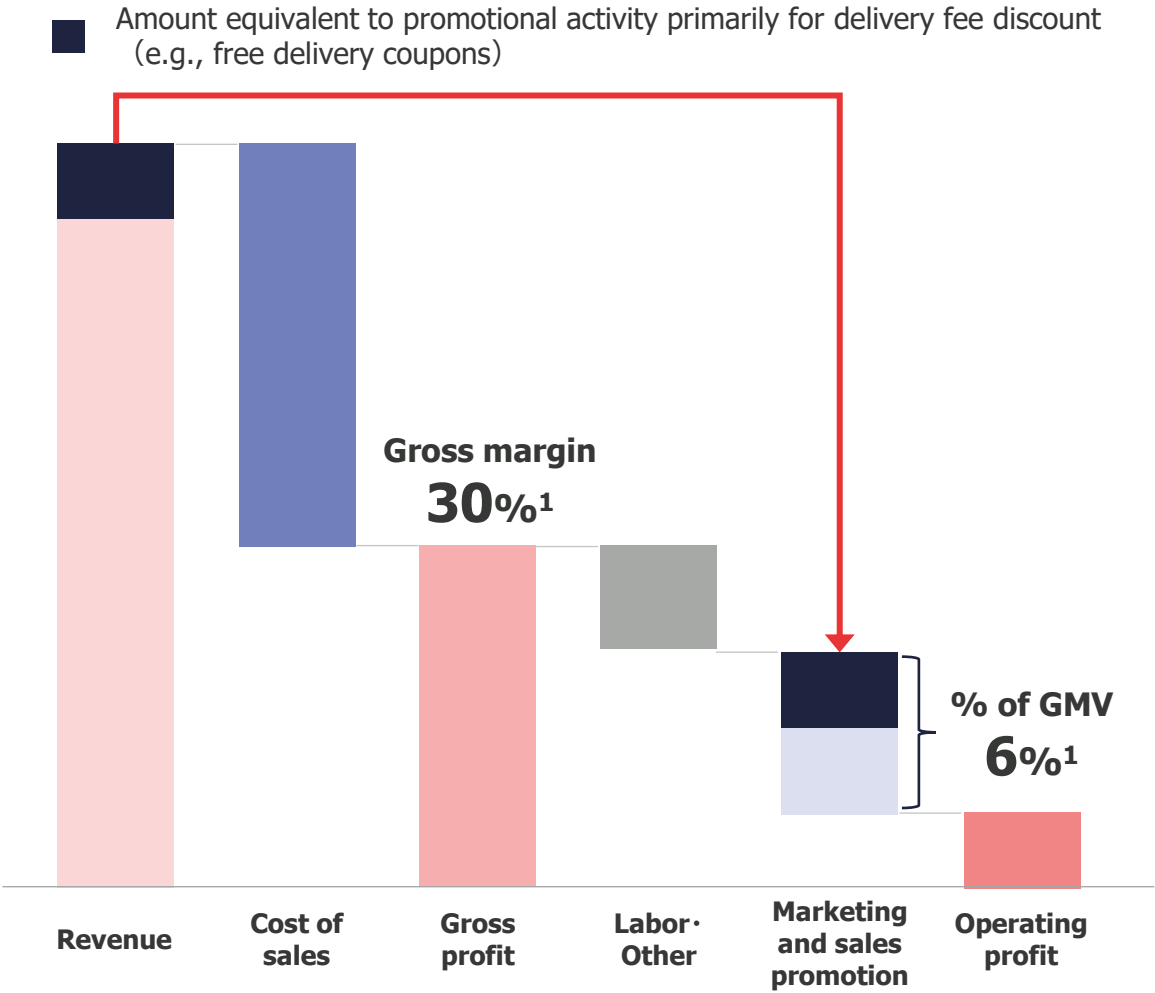
(Million JPY)	FY 8/2023				FY 8/2024		
	Q1	Q2	Q3	Q4	Q1	YoY	QoQ
Revenue	12,193	13,192	13,033	12,996	12,107	99.3%	93.2%
Demae-can Service Fee	11,516	12,358	11,835	11,858	11,082	94.1%	93.5%
Other	678	834	1,199	1,138	1,024	151.2%	90.1%
Cost of Sales	9,943	10,805	10,112	10,047	9,364	94.2%	93.2%
SG&A	6,494	6,881	4,928	4,462	3,999	61.6%	89.6%
Labor	1,291	1,150	982	892	909	70.4%	101.9%
Marketing	2,854	3,377	1,788	1,644	1,461	51.2%	88.9%
Other	2,348	2,353	2,157	1,925	1,628	69.3%	84.5%
Operating Profit	(4,244)	(4,494)	(2,007)	(1,513)	(1,256)	-	-

Financial/managerial accounting overview (illustrative)

Financial accounting



Managerial accounting



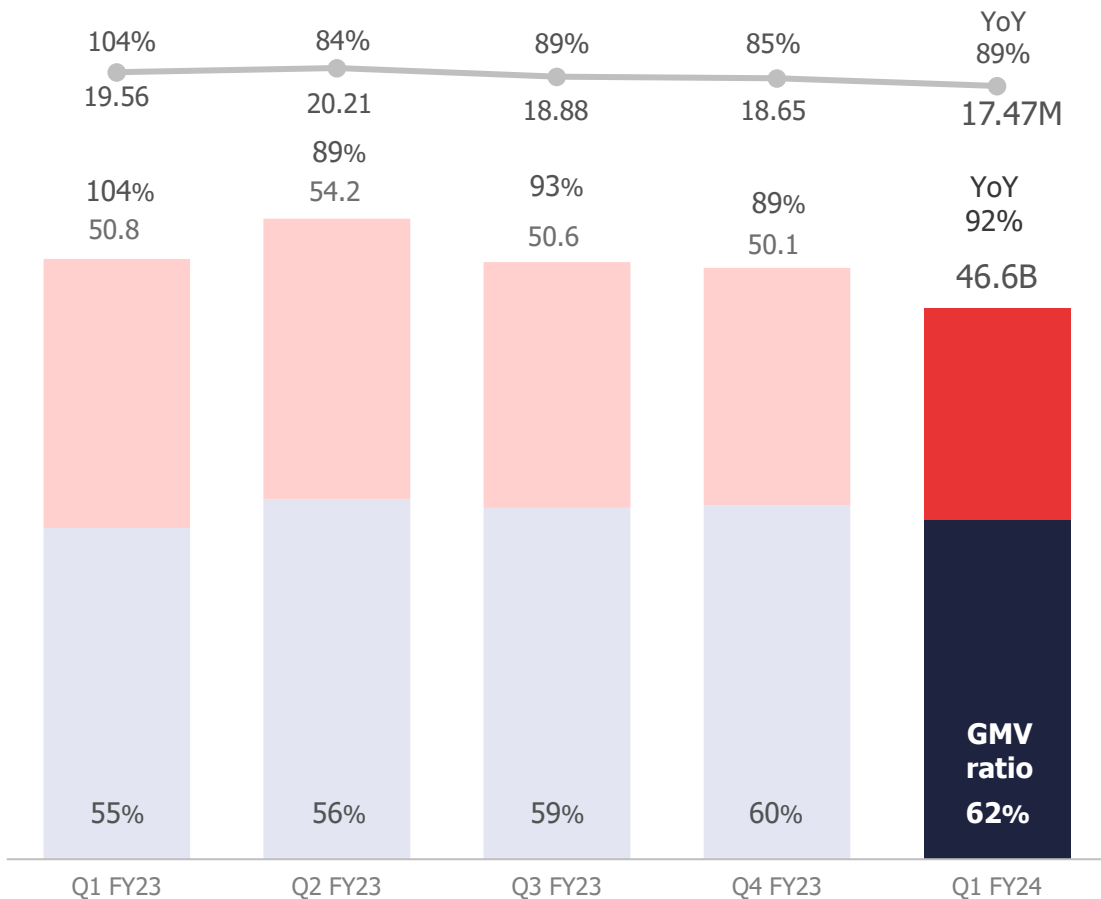
1. Actual results for the first quarter of the fiscal year ending August 31, 2024

Major KPIs (Quarterly)

GMV¹ / Orders

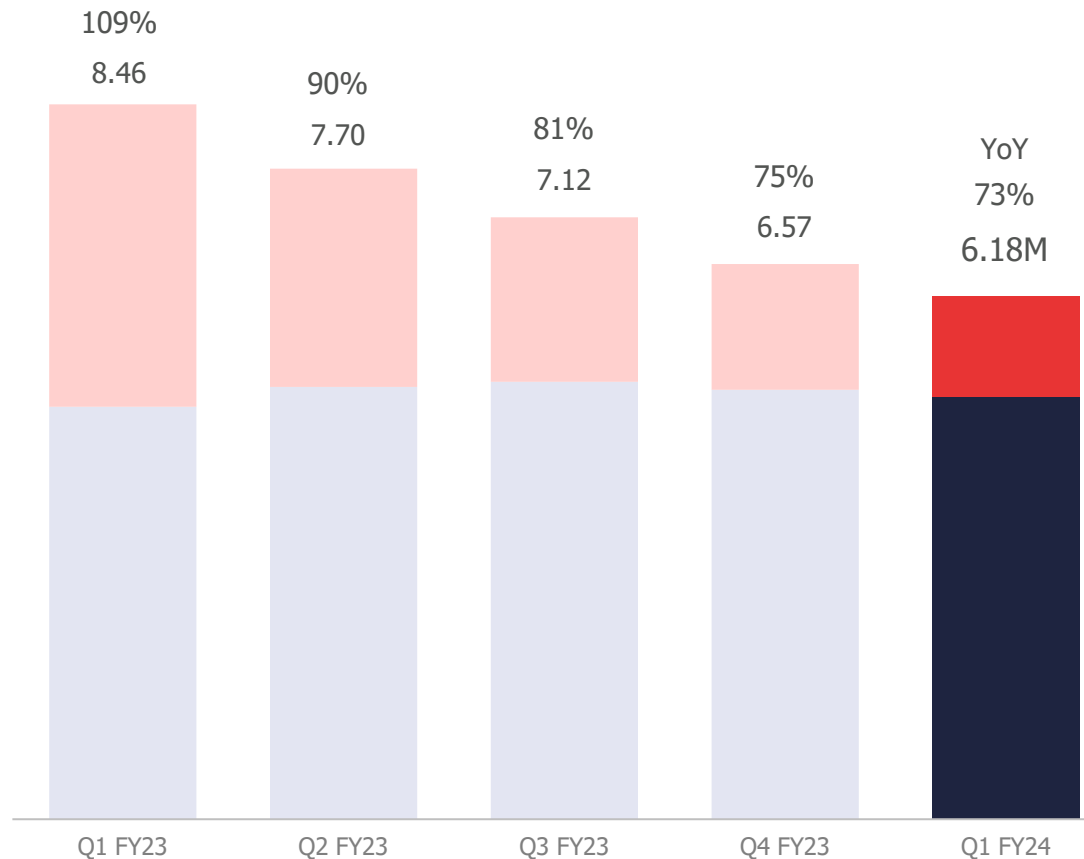
■ GMV (delivery by merchant)
 ■ GMV (delivery by Demae-can)

— Orders



Active Users (as of the end of the quarter)²

■ Users acquired within one year
 ■ Users acquired more than one year ago



1. GMV (Gross Merchandise Value): item price + delivery fee before discount + other user fees
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Thank you 

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