



FY 8/2024 3rd Quarter Results

July 12, 2024

Business Highlights

Q3 FY8/2024 KPI Progress

- KPI results:
 - GMV¹: JPY 46.8 billion YoY 93%
 - Orders: 17.21 million YoY 91%
 - Active Users²: 5.58 million YoY 78%

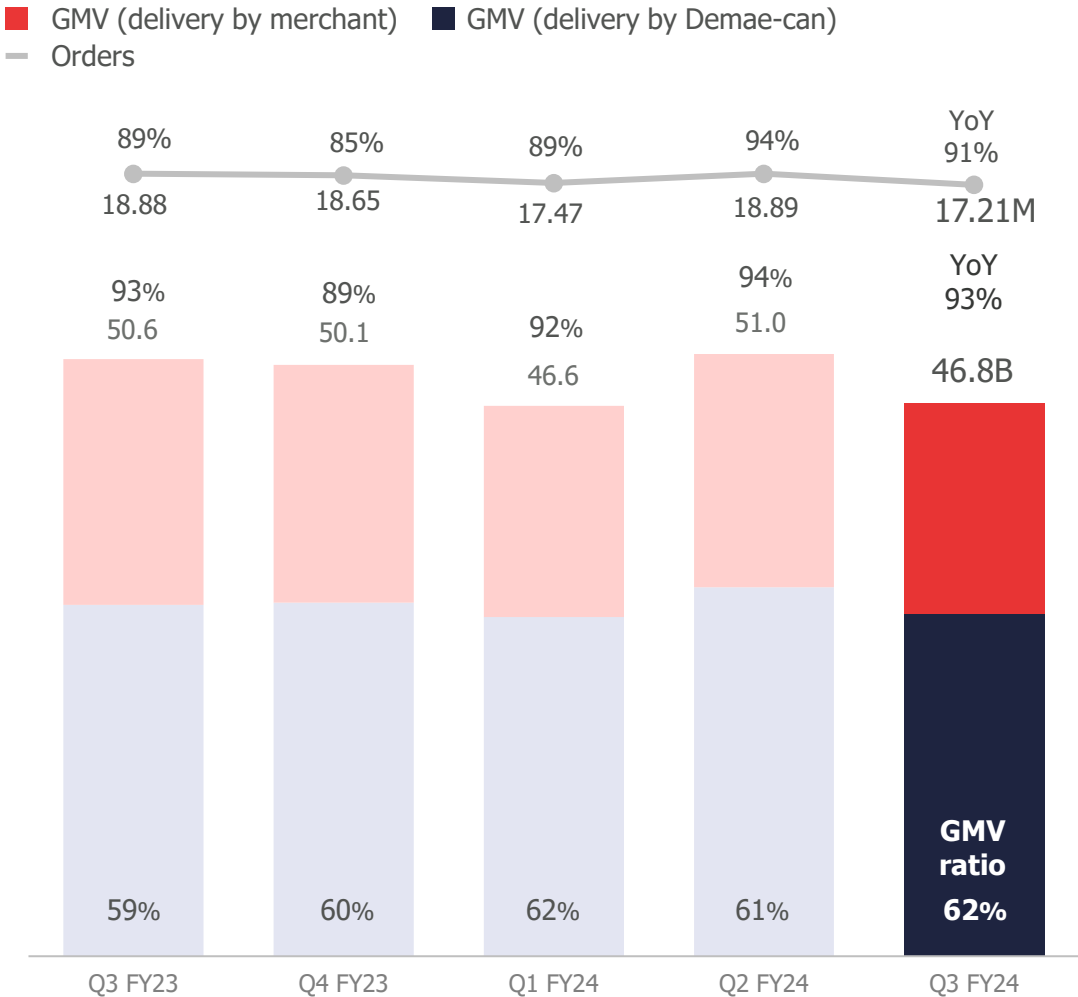
Strategy Review

- Service quality is continuously improving. Flexibility in service is next priority for better user experience
- Quick commerce on Yahoo! Shopping preparing, as planned, for launch this summer
- Gross margin rose to 27% due to optimization of delivery costs. Excluding one-off expenses, FY24Q3 operating loss was 0.5 billion yen

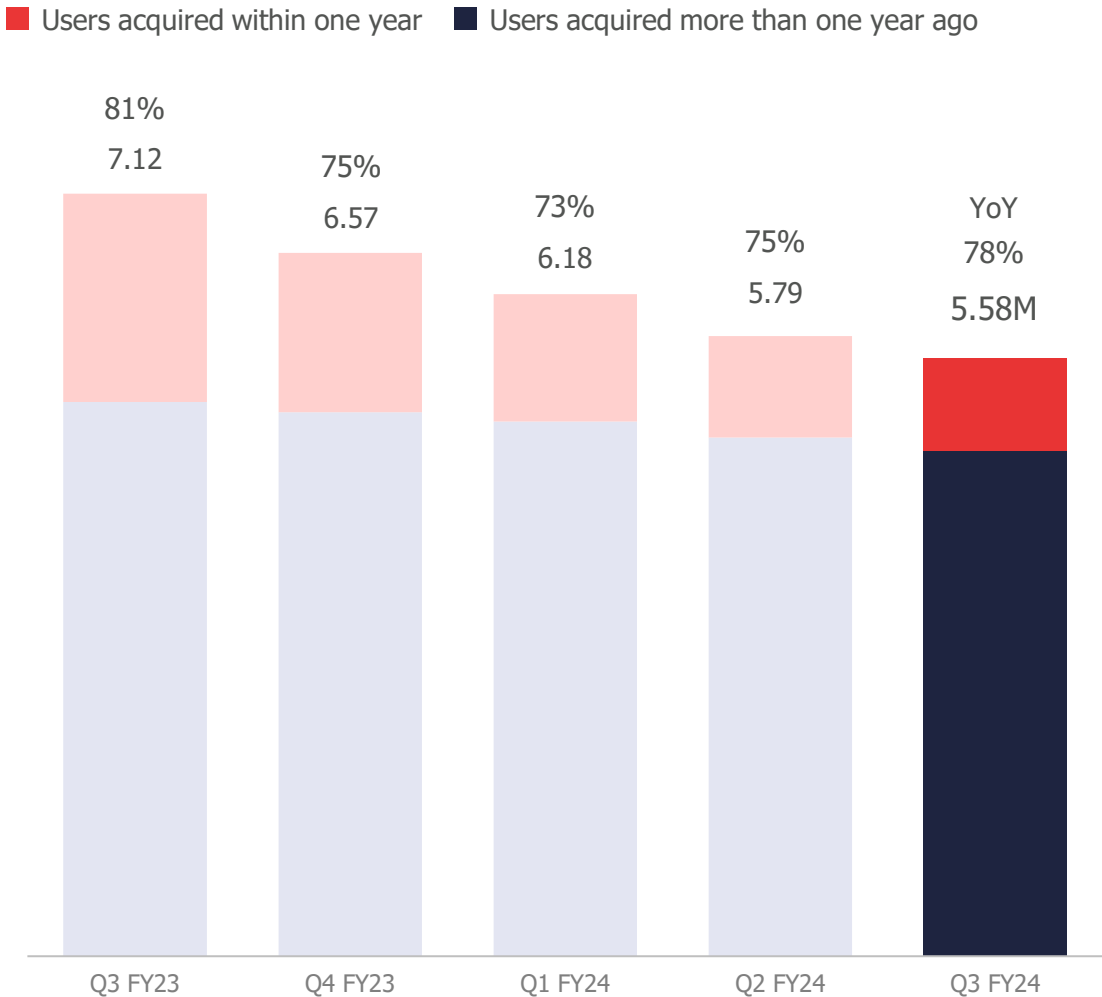
1. GMV (Gross Merchandise Value): item price + delivery fee before discount + other user fees
2. Active Users: users who placed more than one order within the last twelve months (unique users); as of the end of the quarter

Major KPIs (Quarterly)

GMV¹ / Orders



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



1. GMV (Gross Merchandise Value): item price + delivery fee before discount + other user fees
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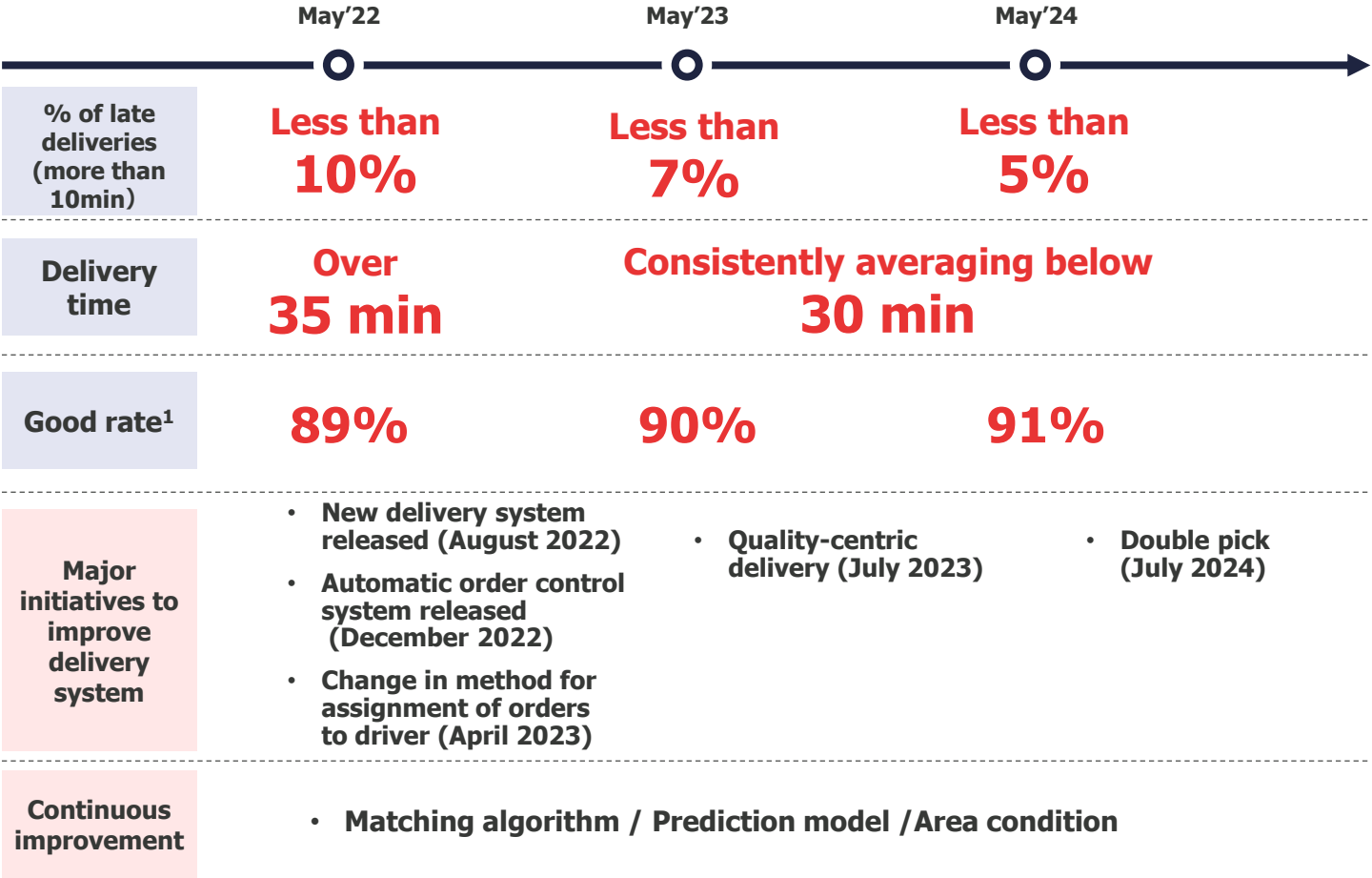
Delivery Experience Consistently Improving

✓ Delivery quality consistently enhanced after the release of the new delivery system

Order acceptance screen before the release of new delivery system



Order acceptance screen after the release of new delivery system



1. Percentage of users answered "good" in the driver review

Next Priority for Better User Experience

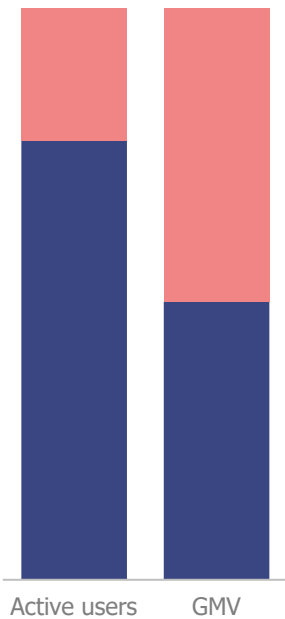
- ✓ Core users are growing. Further opportunity to expand the light user base
- ✓ Achieve more flexibility in the service to provide better user experience

Active users / GMV¹

FY24 1Q~3Q
composition

User Characteristics /
GMV Growth

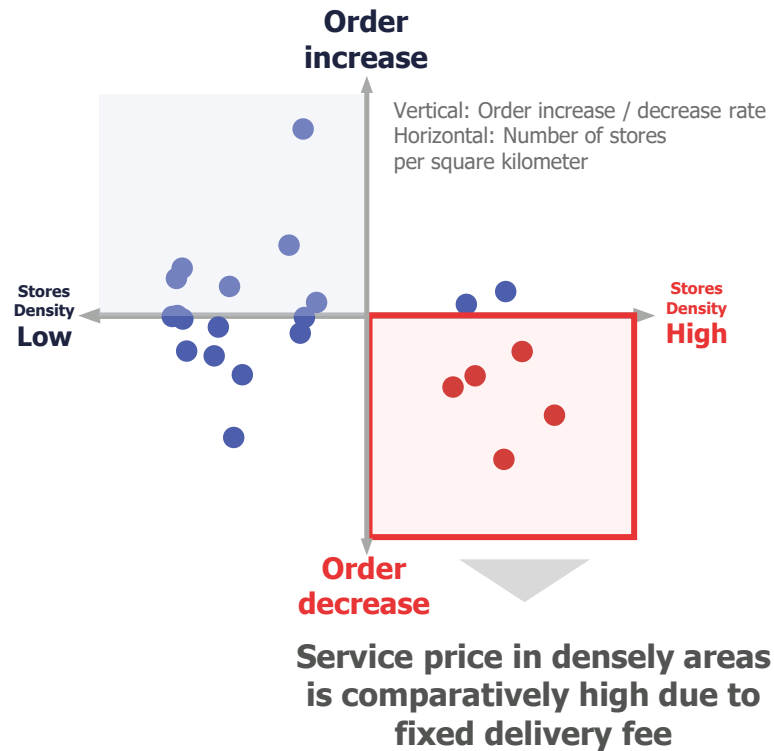
Core user
Light user



**Quality-oriented
Core Users
Positive Growth**

**Price-oriented
Light Users
Negative Growth**

Order growth by area store density²



Next Priority

Flexibility in Service

**Dynamic Pricing
to be released this winter**

- Optimizing service price
- Stabilization of unit economics

1. Core user: Super God and God users according to Demae-nyan royalty program (users who order more than 25,000 yen within 3months) Light user: other Demae-can users. Comparing to the previous year's Q1 to Q3
2. Change in orders between October 2023 and March 2024 within Tokyo 23 wards

Quick Commerce on Yahoo! Shopping launching this summer

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- ✓ Quick commerce on Yahoo! Shopping preparing, as planned, for launch this summer
- ✓ Unique new service collaborating Yahoo! Shopping, Japan's major e-commerce mall, and Demae-can's last-mile delivery network



1

Optimal UI/UX for purchasing non-food products

2

Line-up of retail stores to be available (convenience stores, drugstores, supermarkets, etc.)

3

Press release schedule for early August

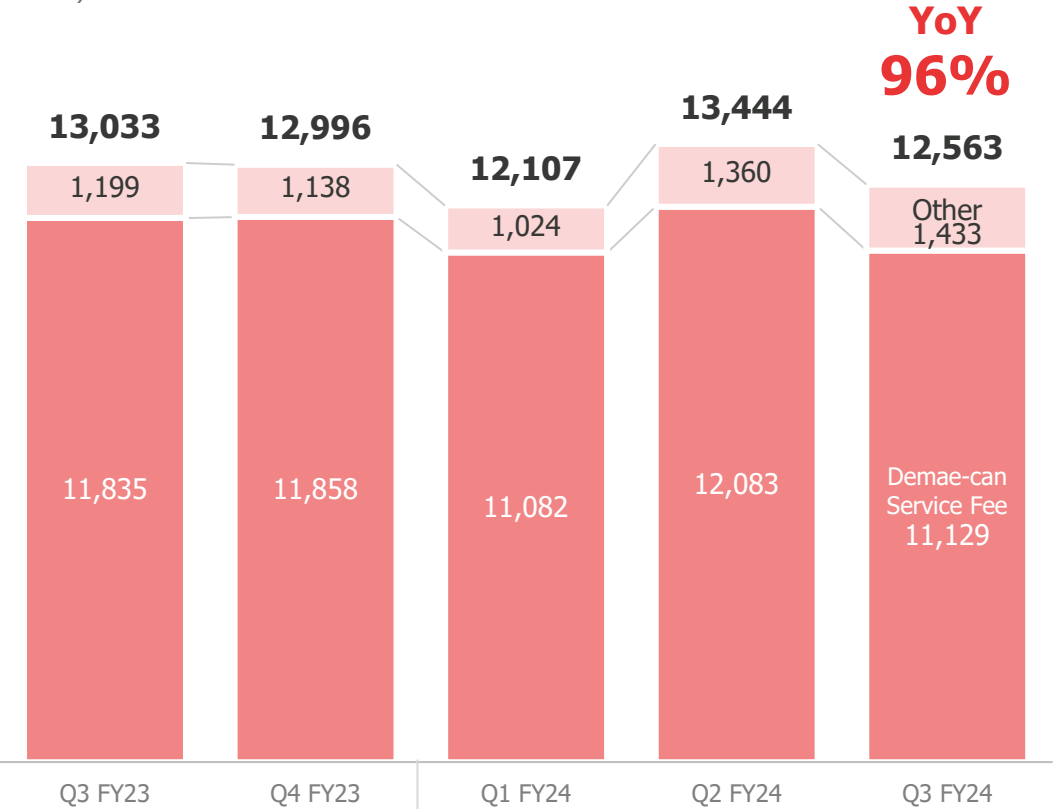
Financial Highlights

Revenue/Operating Expense

- ✓ Revenue resulted 96% YoY
- ✓ Operating expense decreased 89% YoY

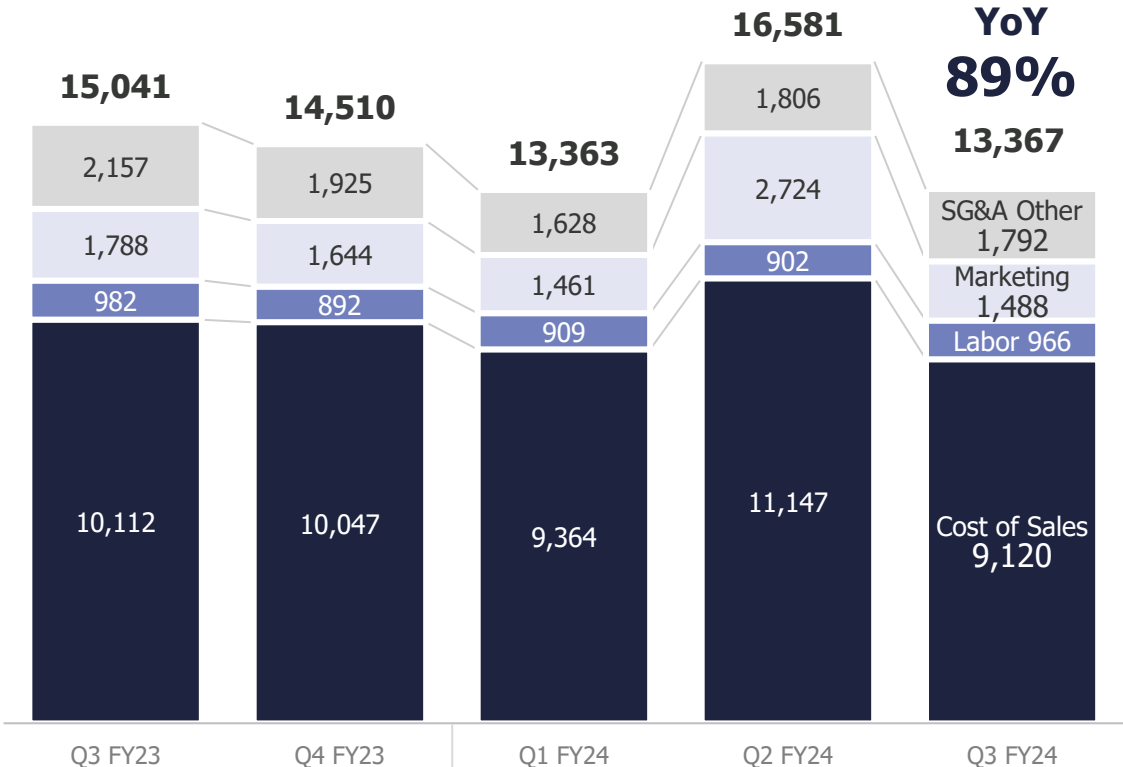
Revenue

(Million JPY)



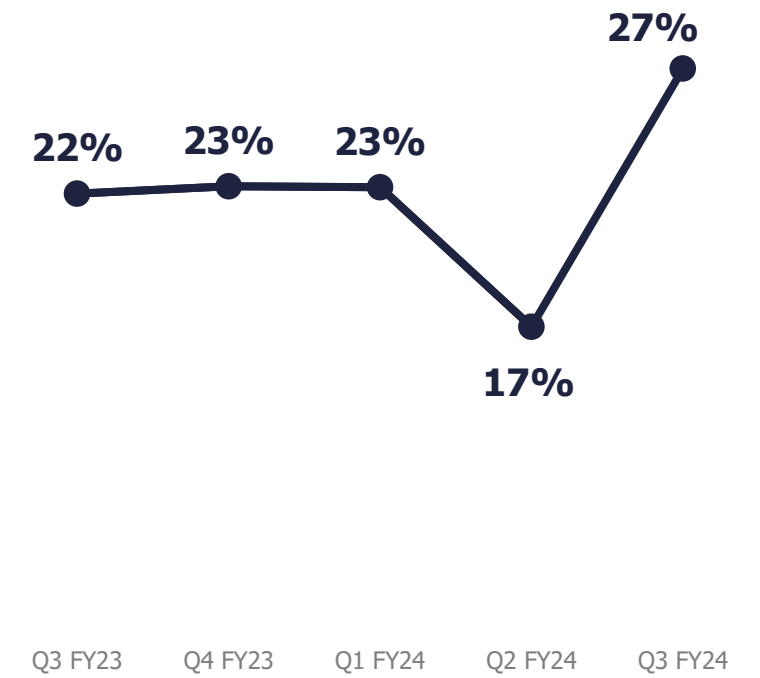
Operating Expense

(Million JPY)

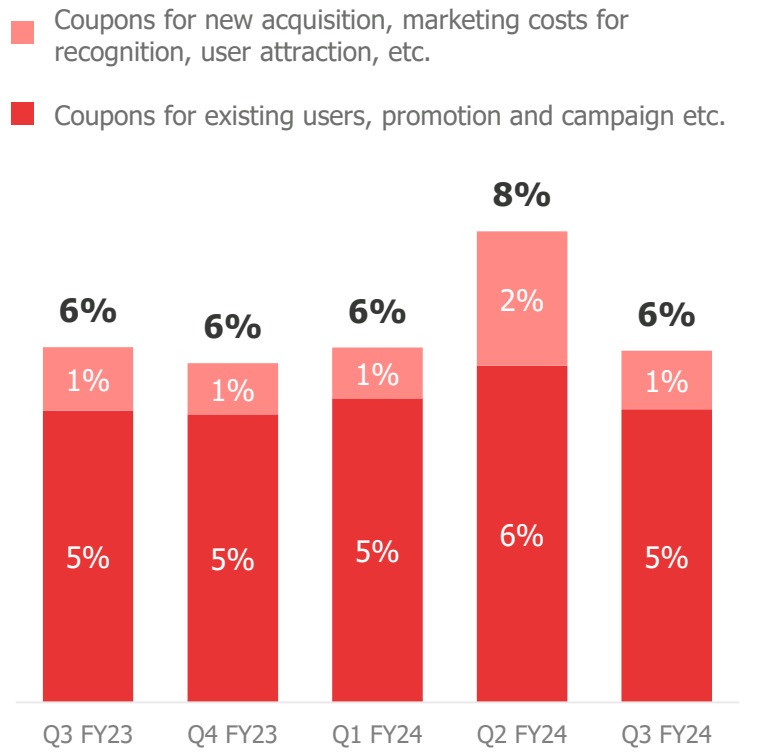


- ✓ Gross margin increased to 27% due to the optimization of delivery costs
- ✓ Excluding one-off expenses (office renovation costs, allowance for office restoration), operating loss resulted 0.5 billion yen

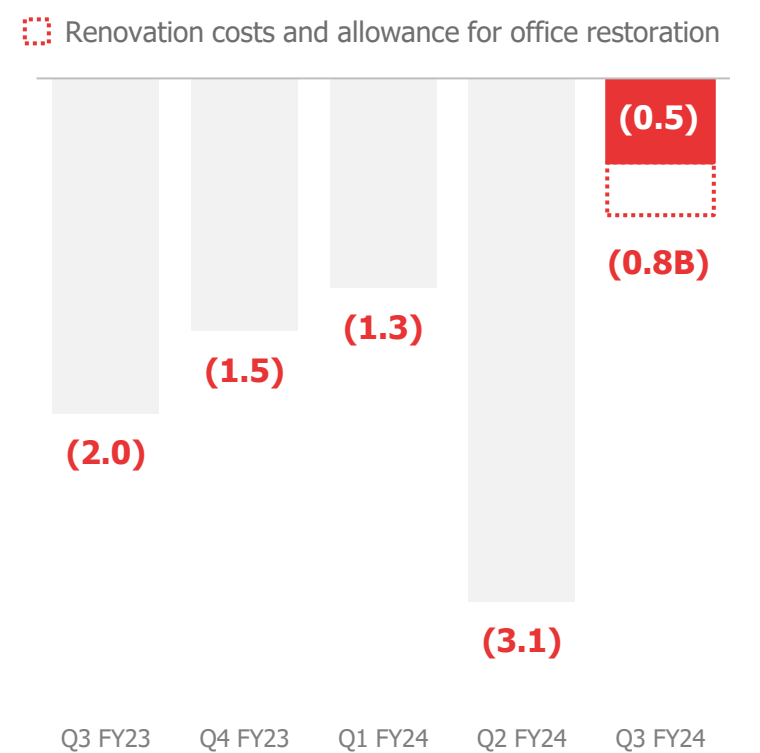
Gross margin



Marketing and sales promotion cost
(% of GMV)



Operating profit

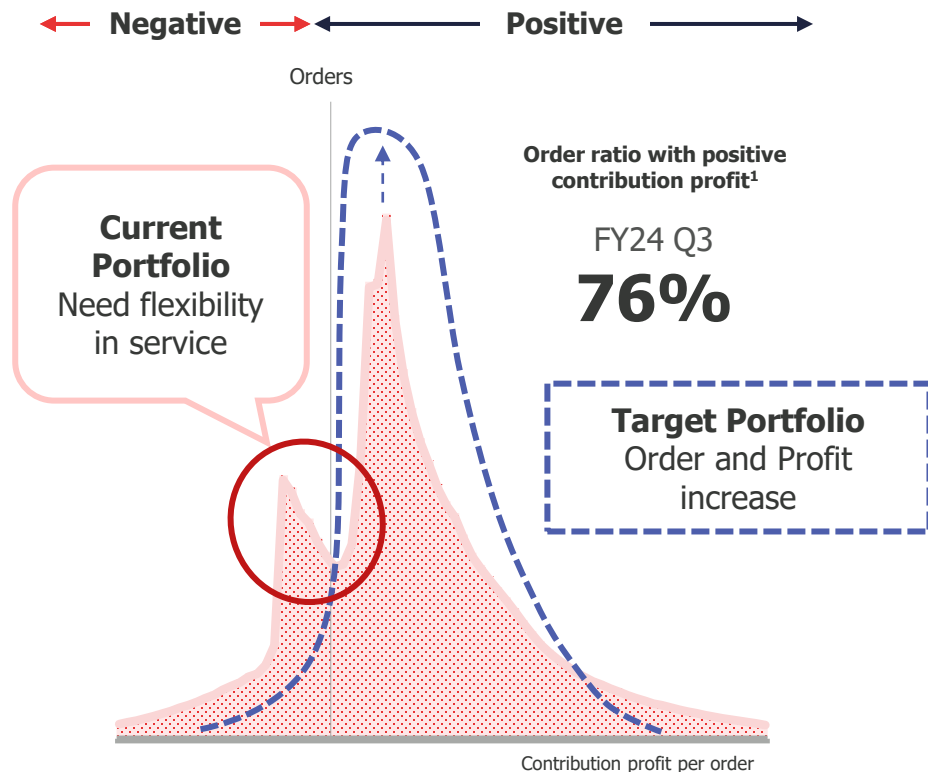


Strengthen Financial Structure

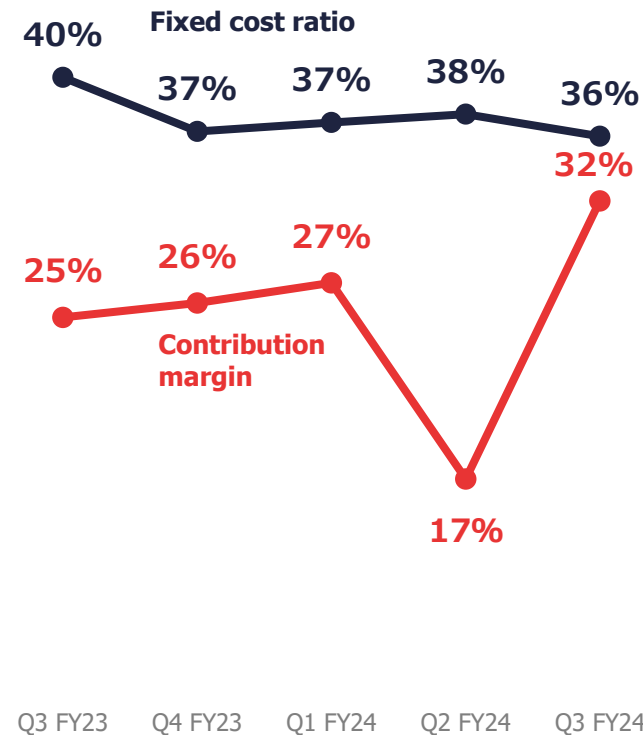
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- ✓ Unit Economics improved and approximately 80% of the orders are positive contribution profit
- ✓ Fixed cost ratio has decreased, leading to a more robust financial foundation and providing leverage

Order portfolio management



Financial structure improvement²



Key initiatives

Fixed cost

Increase in fixed cost due to investments

- Product / IT
- New business

Fixed cost reduction through optimization

- Outsourcing
- Marketing efficiency
- Streamlining operations

Contribution margin

Unit economics improvement

- Dynamic pricing
- Double pick
- Promotion efficiency
- Ads revenue

1. The Percentage of orders where the revenue per order (merchant fees and user fees, excluding ads revenue, etc.) exceeds variable cost per order (delivery, promotion and settlement fee)
2. Fixed cost ratio for FY24 Q3 excludes renovation costs and allowance for office restoration

- ✓ May 22, 2024 : Sale of shares of equity method affiliates and earnings forecast revision
- ✓ July 12, 2024 : Resolution on stock buyback

Sale of shares and earnings forecast revision

- Sale of all shares and stock acquisition rights of equity method affiliate, Kurumeshi Co., Ltd.
- Expect to record an extraordinary gain of approximately 2 billion yen in the consolidated financial statements in the fourth quarter

	FY24 Initial Forecast	FY24 Revised Forecast	FY23 Results (Reference)
Sales	56.0 bn	51.0 bn	51.4 bn
Operating profit	(8.0 bn)	(5.5 bn)	(12.2 bn)
Net income attributable to owners of parent	(7.9 bn)	(3.3 bn)	(12.1 bn)

Stock buyback

- Details regarding stock buyback
- Number of shares: Up to 22 million shares (16.66% of total outstanding shares excluding treasury shares)
 - Value of shares: Up to 5 billion yen

Appendix

Summary of Consolidated Income Statement

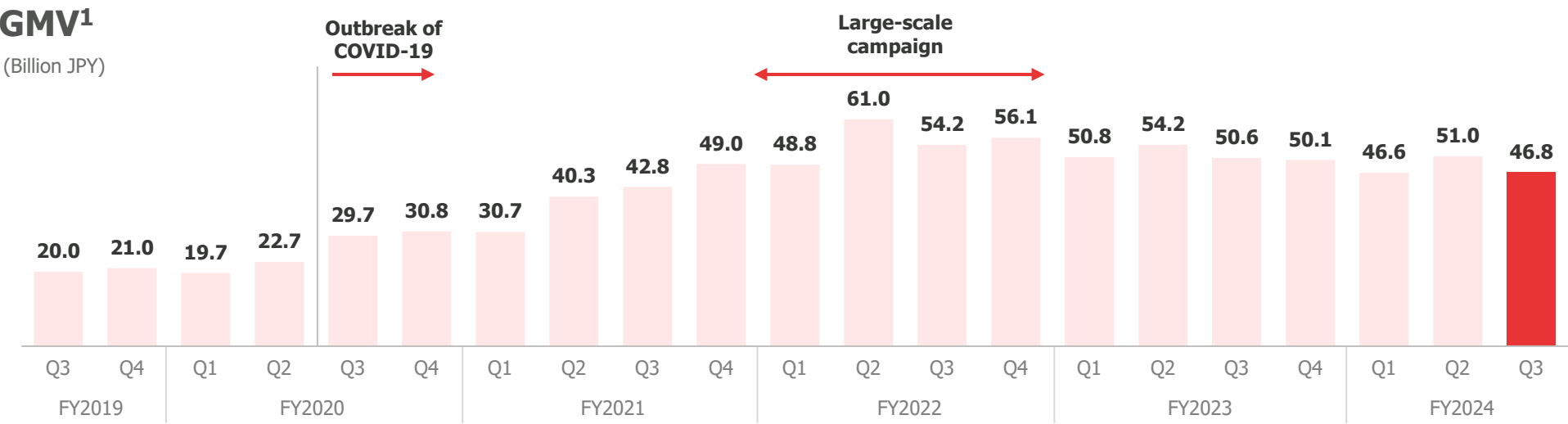
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(Million JPY)	FY 8/2023				FY 8/2024				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY	QoQ
Revenue	12,193	13,192	13,033	12,996	12,107	13,444	12,563	96.4%	93.4%
Demae-can Service Fee	11,516	12,358	11,835	11,858	11,082	12,083	11,129	94.0%	92.1%
Other	678	834	1,199	1,138	1,024	1,360	1,433	119.6%	105.4%
Cost of Sales	9,943	10,805	10,112	10,047	9,364	11,147	9,120	90.2%	81.8%
Gross Profit	2,250	2,386	2,921	2,948	2,742	2,296	3,442	117.8%	149.9%
Gross Margin	18.5%	18.1%	22.4%	22.7%	22.7%	17.1%	27.4%	+5.0pt	+10.3pt
SG&A	6,494	6,881	4,928	4,462	3,999	5,433	4,246	86.2%	78.1%
Labor	1,291	1,150	982	892	909	902	966	98.3%	107.1%
Marketing	2,854	3,377	1,788	1,644	1,461	2,724	1,488	83.2%	54.6%
Other	2,348	2,353	2,157	1,925	1,628	1,806	1,792	83.1%	99.2%
Operating Profit	(4,244)	(4,494)	(2,007)	(1,513)	(1,256)	(3,137)	(804)	-	-

Major KPIs

GMV¹

(Billion JPY)

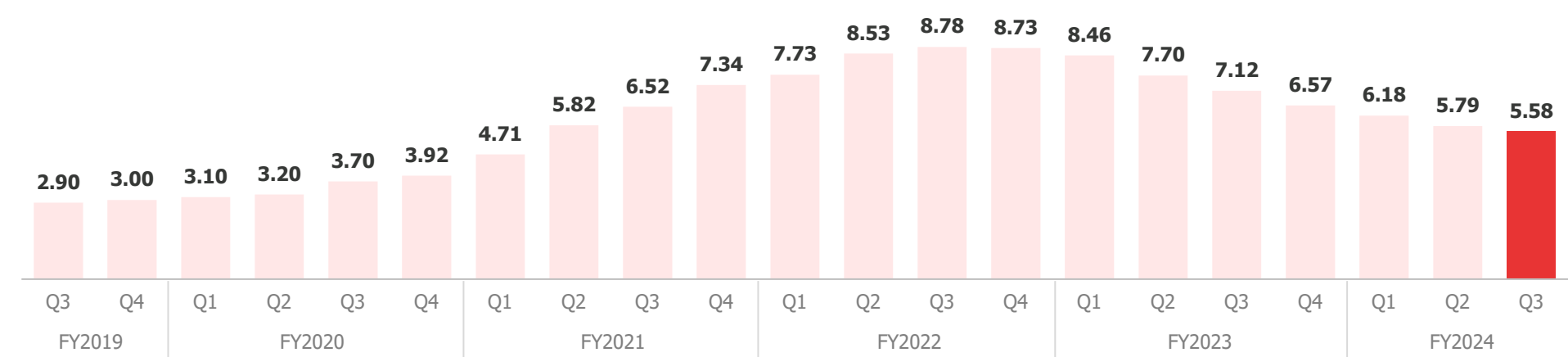


Pre-covid
5yr CAGR

19%

Active Users²

(Million)



Pre-covid
5yr CAGR

+14%

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Thank you 

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