



October 11, 2024

Consolidated Financial Results for the Year Ended August 31, 2024

Name of Company Demae-can Co., Ltd
 Stock exchange Standard of Tokyo Stock Exchange (Code 2484)
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Scheduled ordinary general meeting of shareholders November 26, 2024
 Scheduled start of dividend payment -
 Scheduled release of fiscal year 8/2024 business report November 27, 2024

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 August 31, 2024

(1) Operating results

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

	Year ended			
	August 31, 2023		August 31, 2024	
		%		%
Net sales (Millions of yen)	51,416	8.7	50,411	(2.0)
Operating profit (Millions of yen)	(12,259)	-	(5,991)	-
Ordinary profit (Millions of yen)	(12,122)	-	(5,853)	-
Profit attributable to owners of parent (Millions of yen)	(12,154)	-	(3,705)	-
Profit per share (Yen):				
Basic	(92.25)		(28.19)	
Diluted	-		-	
Return on equity (%)	(25.2)		(9.4)	
Ordinary income to total assets (%)	(19.6)		(11.4)	
Operating income to net sales (%)	(23.8)		(11.9)	
Comprehensive income:	Year ended August 31, 2024: (3,737) million yen, - % Year ended August 31, 2023: (12,156) million yen, - %			
Profit/loss on equity method:	Year ended August 31, 2024: 116 million yen Year ended August 31, 2023: 86 million yen			

(2) Financial position

	As of	
	August 31, 2023	August 31, 2024
Total assets (Millions of yen)	54,746	47,943
Total net assets (Millions of yen)	42,340	36,548
Equity ratio (%)	77.3	76.2
Net assets per share (Yen)	320.16	295.09
Equity:	36,548 million yen (as of August 31, 2024) 42,335 million yen (as of August 31, 2023)	

(3) Cash flows

	Year ended	
	August 31, 2023	August 31, 2024
Cash flows from operating activities	(12,290)	(4,582)
Cash flows from investing activities	(64)	2,187
Cash flows from financing activities	(0)	(3,999)
Cash and cash equivalents at end of period	40,906	34,511

2. Dividends

	Year ended August 31, 2023	Year ended August 31, 2024
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	0.00	0.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	0.00	0.00
Annual dividends per share (Yen)	0.00	0.00
Total dividends (Millions of yen)	-	-
Payout ratio (%)	-	-
Dividend on equity (%)	-	-

Note: No dividend will be paid for the fiscal year ending August 31, 2024 (forecast).

3. Financial forecasts for the fiscal year ending August 31, 2025

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

	Year ending August 31, 2025	
		%
Sales (Billions of yen)	53.0	5.1
Operating profit (Millions of yen)	1.0	-

4. Notes

- (1) Important changes in subsidiaries (Changes on specific subsidiaries associated with changes in scope of consolidation): None
- (2) 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
- (3) Number of shares issued and outstanding (common share)
 1. Number of shares issued and outstanding (including treasury shares)

As of August 31, 2024:	132,421,230 shares
As of August 31, 2023:	132,421,230 shares
 2. Number of shares of treasury shares

As of August 31, 2024:	8,566,905 shares
As of August 31, 2023:	189,517 shares
 3. Average number of shares outstanding

As of August 31, 2024:	131,472,546 shares
As of August 31, 2023:	131,753,229 shares

(Reference) Overview of Non-consolidated Financial Results
Non-consolidated Results for the Year ended August 31, 2023

(1) Operating results

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

	Year ended			
	August 31, 2023		August 31, 2024	
		%		%
Net sales (Millions of yen)	51,404	9.8	50,406	(1.9)
Operating profit (Millions of yen)	(12,166)	-	(5,959)	-
Ordinary profit (Millions of yen)	(11,581)	-	(5,906)	-
Profit attributable to owners of parent (Millions of yen)	(12,093)	-	(3,505)	-
Profit per share (Yen):				
Basic	(91.79)		(26.66)	
Diluted	-		-	

(2) Financial position

	As of	
	August 31, 2023	August 31, 2024
Total assets (Millions of yen)	54,522	47,995
Total net assets (Millions of yen)	42,254	36,662
Equity ratio (%)	77.5	76.4
Net assets per share (Yen)	319.51	296.01
Equity:	36,662 million yen (as of August 31, 2024)	
	42,249 million yen (as of August 31, 2023)	

* 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 other forward-looking statements 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, (4) Future Forecast” on page 5 for further details.
- The Company plans to hold an earnings release conference for institutional investors and analysts on October 11, 2024 (Friday). Supplementary presentation materials to be handed out at the conference will be posted simultaneously on the Company's website.

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 August 31, 2024), 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, and the gross profit margin improved from the previous fiscal year to 23%. Marketing costs were controlled focusing on cost effectiveness according to market trends.

Consequently, consolidated net sales for the fiscal year under review decreased by 2.0% year on year, to 50,411 million yen, accordingly, an operating loss of 5,991 million yen (operating loss of 12,259 million yen in the previous fiscal year), an ordinary loss of 5,853 million yen (ordinary loss of 12,122 million yen in the previous fiscal year), and a loss attributable to owners of parent of 3,705 million yen (loss attributable to owners of parent of 12,154 million yen in the previous fiscal year).

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

Current assets at the end of the fiscal year under review amounted to 47,544 million yen, a decrease of 6,748 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease of 6,395 million yen in cash and deposits and a decrease of 2,009 million yen in accounts receivable-other.

Non-current assets at the end of the fiscal year under review amounted to 398 million yen, a decrease of 55 million yen from the end of the previous fiscal year. Key factors contributing to this included a decrease of 317 million yen in investment securities and an increase of 269 million yen in guarantee deposits.

As a result, total assets at the end of the fiscal year under review amounted to 47,943 million yen, a decrease of 6,803 million yen from the end of the previous fiscal year.

Current liabilities at the end of the fiscal year under review amounted to 11,231 million yen, a decrease of 1,076 million yen from the end of the previous fiscal year. This was caused primarily by a decrease of 1,327 million yen in accounts payable - other.

Non-current liabilities at the end of the fiscal year under review increased 64 million yen from the end of the previous fiscal year, to 163 million yen. This was mainly caused by an increase of 64 million yen in other.

As a result, total liabilities at the end of the fiscal year under review amounted to 11,395 million yen, a decrease of 1,011 million yen from the end of the previous fiscal year.

Net assets amounted to 36,548 million yen, a decrease of 5,791 million yen from the end of the previous fiscal year. Key factors contributing to this were a decrease of capital surplus due to the posting of 3,705 million yen as a loss attributable to owners of parent.

(3) Summary of Cash Flows in the Fiscal Year under Review

The balance of cash and cash equivalents ("cash") at the end of the fiscal year under review decreased 6,395 million yen from the end of the previous fiscal year to 34,511 million yen.

The status of each of the cash flow segments and contributing factors in the fiscal year under review is as follows:

(Cash flows from operating activities)

Net cash used in operating activities during the fiscal year under review was 4,582 million yen (a decrease of 12,290 million yen in the previous fiscal year). The change was mainly attributable to loss before income taxes of 3,724 million yen, a decrease in accounts receivable-other of 2,009 million yen, and a decrease in accounts payable-other of 1,362 million yen.

(Cash flows from investing activities)

Net cash provided by investing activities during the fiscal year under review was 2,187 million yen (a decrease of 64 million yen in the previous fiscal year). Key contributing factors included proceeds from sales of investment securities of 2,461 million yen and payments for leasehold and guarantee deposits of 307 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities during the fiscal year under review was 3,999 million yen (a decrease of 0 million yen in the previous fiscal year). The change was mainly attributable to purchase of treasury shares of 2,049 million yen and an increase in deposit of 1,950 million yen.

(Reference) Changes in cash flows related indicators

	Year ended August 31, 2020	Year ended August 31, 2021	Year ended August 31, 2022	Year ended August 31, 2023	Year ended August 31, 2024
Equity Ratio (%)	80.3	32.2	78.4	77.3	76.2
Equity Ratio at market value (%)	536.6	628.1	113.4	97.3	68.5
Interest-bearing debt to cash ratio (times)	—	—	—	—	—
Interest coverage ratio (times)	—	—	—	—	—

* Equity ratio: Equity / Total assets

* Equity ratio at market value: Market capitalization / Total assets

* Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities

* Interest coverage ratio: Cash flows from operating activities / Interest expenses

1. Market capitalization is calculated based on the following formula: Closing stock price at fiscal year-end x Number of shares outstanding at fiscal year-end after deduction of treasury share.

2. The cash flow amount represents net cash provided by (used in) operating activities.

3. The interest-bearing debts include all interest-bearing liabilities that are listed on the consolidated balance sheet.

The interest payment represents the amount of interest expenses paid presented on the cash flow statement.

(4) Future Forecast

As for the outlook for the fiscal year ending August 31, 2025, we will continue to push forward to make the delivery part of everyday life and expand the "Demaecan business". We will continue to invest in the renovation of our products and services to improve the delivery experience for all of our stakeholders—users, merchants, and riders—and also working to optimize expenses and improve profitability.

In consideration of these circumstances, the consolidated forecasts for the fiscal year ending August 31, 2025 are, Sales : 53.0 billion yen (105% of the previous year), and Operating income : 1.0 million yen.

The above forecasts are based on currently available information, and actual results may differ significantly due to various uncertainties.

(5) Fundamental Policy for Distribution of Profits and Dividends for the Current and Next Fiscal Years

The Company considers that its basic policy is to increase its corporate value by strengthening its business base and enhancing management efficiency based on active business development and to provide its shareholders with a continuous and stable return of profit. It aims for a payout ratio of approximately 30% and stable dividend while maintaining active investment in the future businesses at the same time.

The Company's basic policy for dividends of surplus is one payment a year distributed at the end of each fiscal year. To facilitate a flexible profit return to shareholders according to the business results, the Company has specified in its articles of incorporation that the Company may distribute dividends of surplus as interim dividends to shareholders or registered pledgees of shares with the last day of February as the record date upon a resolution of the Board of Directors. The organizations that determine the payment of these dividends of surplus are the Board of Directors.

2. Basic Approach to the Selection of Accounting Standards

The Group's stakeholders consist largely of shareholders, creditors, business partners, and other parties based in Japan. For this reason, the Company has adopted the Japanese accounting standards for its financial statements.

3. Consolidated Financial Statements and Notes to Consolidated Financial Statement

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of August 31, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	40,906	34,511
Notes and accounts receivable—trade	158	105
Accounts receivable-other	12,414	10,405
Other	898	2,577
Allowance for doubtful accounts	(86)	(55)
Total current assets	54,292	47,544
Non-current assets		
Property, plant, and equipment		
Buildings and structures	3	3
Accumulated depreciation	(3)	(3)
Buildings and structures, net	—	—
Other	103	73
Accumulated depreciation	(103)	(73)
Other, net	—	—
Total property, plant and equipment	—	—
Investments and other assets		
Investment securities	320	3
Guarantee deposits	126	395
Deferred tax assets	7	—
Other	6	4
Allowance for doubtful accounts	(6)	(3)
Total investments and other assets	454	398
Total non-current assets	454	398
Total assets	54,746	47,943

	(Millions of yen)	
	As of August 31, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - other	11,626	10,299
Income taxes payable	21	12
Provision for bonuses	35	63
Provision for sales promotion expenses	—	300
Other	624	556
Total current liabilities	12,307	11,231
Non-current liabilities		
Other	98	163
Total non-current liabilities	98	163
Total liabilities	12,406	11,395
Net assets		
Shareholders' equity		
Capital stock	100	100
Capital surplus	54,166	54,166
Retained earnings	(11,959)	(15,665)
Treasury shares	(3)	(2,053)
Total shareholders' equity	42,303	36,548
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	32	—
Total valuation and translation adjustments	32	—
share acquisition rights	4	—
Total net assets	42,340	36,548
Total liabilities and net assets	54,746	47,943

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	Year ended August 31, 2023	Year ended August 31, 2024
Net sales	51,416	50,411
Cost of sales	40,909	38,803
Gross profit	10,507	11,608
Selling, general and administrative expenses	22,767	17,600
Operating profit	(12,259)	(5,991)
Non-operating income		
Interest income	0	3
Dividend income	1	—
Provision of allowance for doubtful accounts	—	0
Insurance claim income	4	—
Settlement received	8	31
Share of profit of entities accounted for using equity method	86	116
Subsidy income	23	16
Other	20	6
Total non-operating income	146	174
Non-operating expenses		
Exchange loss	3	0
Stock issuance cost	3	—
Compensation for damage	0	4
Donation	—	30
Other	1	1
Total non-operating expenses	8	35
Ordinary profit	(12,122)	(5,853)
Extraordinary income		
Gain on sales of non-current assets	2	—
Gain on sales of business	—	2,124
Gain on reversal of share acquisition rights	6	4
Total extraordinary income	8	2,128
Extraordinary losses		
Loss on change in equity	2	—
Total extraordinary losses	2	—
Profit before income taxes	(12,115)	(3,724)
Income taxes - current	21	12
Income taxes - deferred	17	(30)
Total income taxes	38	(18)
Profit	(12,154)	(3,705)
Profit attributable to owners of parent	(12,154)	(3,705)

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Year ended August 31, 2023	Year ended August 31, 2024
Profit	(12,154)	(3,705)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(32)
Total other comprehensive income	(2)	(32)
Comprehensive income	(12,156)	(3,737)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(12,156)	(3,737)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Year ended August 31, 2023

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earning	Treasury shares	Total shareholder's equity
Balance at beginning of current period	100	112,269	(58,184)	(3)	54,181
Changes of items during period					
Issuance of new shares	275				275
Transfer from capital to reserves or surplus	(275)	275			—
Deficit disposition		(58,378)	58,378		—
Profit (loss) attributable to owners of parent			(12,154)		(12,154)
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(58,102)	46,224	—	(11,878)
Balance at end of current period	100	54,166	(11,959)	(3)	42,303

	Other comprehensive income		share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total other comprehensive income		
Balance at beginning of current period	34	34	9	54,225
Changes of items during period				
Issuance of new shares				275
Transfer from capital to reserves or surplus				—
Deficit disposition				—
Profit (loss) attributable to owners of parent				(12,154)
Net changes of items other than shareholders' equity	(2)	(2)	(4)	(7)
Total changes of items during period	(2)	(2)	(4)	(11,885)
Balance at end of current period	32	32	4	42,340

Year ended August 31, 2024

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earning	Treasury shares	Total shareholder's equity
Balance at beginning of current period	100	54,166	(11,959)	(3)	42,303
Changes of items during period					
Profit (loss) attributable to owners of parent			(3,705)		(3,705)
Purchase of treasury stock				(2,049)	(2,049)
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	—	(3,705)	(2,049)	(5,755)
Balance at end of current period	100	54,166	(15,665)	(2,053)	36,548

	Other comprehensive income		share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total other comprehensive income		
Balance at beginning of current period	32	32	4	42,340
Changes of items during period				
Profit (loss) attributable to owners of parent				(3,705)
Purchase of treasury stock				(2,049)
Net changes of items other than shareholders' equity	(32)	(32)	(4)	(36)
Total changes of items during period	(32)	(32)	(4)	(5,791)
Balance at end of current period	—	—	—	36,548

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended August 31, 2023	Year ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	(12,115)	(3,724)
Share-based payment expenses	233	233
Loss (gain) on sales of property, plant and equipment	(2)	—
Loss (gain) on sales of investment securities	—	(2,124)
Increase (decrease) in allowance for doubtful accounts	49	(33)
Increase (decrease) in provision for bonuses	13	28
Increase (decrease) in provision for sales promotion expenses	—	300
Interest and dividend income	(2)	(3)
Stock issuance cost	3	—
Share of (profit) loss of entities accounted for using equity method	(86)	(116)
Subsidy income	(23)	(16)
Decrease (increase) in notes and accounts receivable - trade	(59)	56
Decrease (increase) in prepaid expenses	411	(125)
Decrease (increase) in consumption taxes refund receivable	1,061	34
Decrease (increase) in inventories	17	0
Decrease (increase) in accounts receivable-other	917	2,009
Increase (decrease) in accounts payable-other	(2,990)	(1,362)
Other	364	65
Subtotal	(12,207)	(4,809)
Interest and dividend income received	16	50
Income taxes paid	(125)	(21)
Income taxes refund	2	148
Subsidies received	23	16
Settlement received	—	31
Net cash provided by (used in) operating activities	(12,290)	(4,582)
Cash flows from investing activities		
Proceeds from sales of non-current assets	2	—
Proceeds from sales of investment securities	—	2,461
Payments for asset retirement obligations	(45)	—
Payments for leasehold and guarantee deposits	(72)	(307)
Proceeds from collection of leasehold and guarantee deposits	51	33
Net cash provided by (used in) investing activities	(64)	2,187

(Millions of yen)

	Year ended August 31, 2023	Year ended August 31, 2024
Cash flows from financing activities		
Purchase of treasury shares	—	(2,049)
Increase (decrease) in deposit	—	(1,950)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(0)	(3,999)
Effect of exchange rate change on cash and cash equivalents	—	(0)
Net increase (decrease) in cash and cash equivalents	(12,355)	(6,395)
Cash and cash equivalents at beginning of period	53,262	40,906
Cash and cash equivalents at end of period	40,906	34,511

(5) Notes to Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

(Segment information)

I. Year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

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

II. Year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

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

(Related information)

Year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

1) Information on each product and service

	Dema-e-can business	Total
Dema-e-can service fees	47,550	47,550
Other transactions	3,866	3,866

2) Information on each geographic area

(a) Net sales

This information is omitted due to the amount of sales to external customers in Japan exceeding 90% of the sales on the consolidated income statement.

(b) Property, plant, and equipment

This information is omitted due to the total value of property, plant, and equipment located in Japan exceeding 90% of the value of property, plant, and equipment on the consolidated balance sheet.

3) Information on each key customer

This information is omitted due to the absence of external customers contributing to more than 10% of sales on the consolidated income statement.

Year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

1) Information on each product and service

(Millions of yen)

	Demaer-can business	Total
Demaer-can service fees	45,299	45,299
Other transactions	5,112	5,112

2) Information on each geographic area

(a) Net sales

This information is omitted due to the amount of sales to external customers in Japan exceeding 90% of the sales on the consolidated income statement.

(b) Property, plant, and equipment

This information is omitted due to the total value of property, plant, and equipment located in Japan exceeding 90% of the value of property, plant, and equipment on the consolidated balance sheet.

3) Information on each key customer

This information is omitted due to the absence of external customers contributing to more than 10% of sales on the consolidated income statement.

(Information on impairment loss on non-current assets in each reporting segment)

Year ended August 31, 2023

Not applicable.

Year ended August 31, 2024

Not applicable.

(Information on amortization and unamortized balance of goodwill in each reporting segment)

Year ended August 31, 2023

Not applicable.

Year ended August 31, 2024

Not applicable.

(Information on gain on bargain purchase in each reporting segment)

Year ended August 31, 2023

Not applicable.

Year ended August 31, 2024

Not applicable.

(Per share information)

	Year ended August 31,2023	Year ended August 31,2024
Net assets per share (Yen)	320.16	295.09
Profit per share (Yen)	(92.25)	(28.19)
Fully diluted profit per share (Yen)		

Note: 1. Regarding Fully diluted profit per share is omitted due to the number is equivalent to profit per share.

2. The basis of calculating the net assets per share is as follows.

	(Millions of yen)	
	Year ended August 31,2023	Year ended August 31,2024
Net Assets	42,340	36,548
Amount subtracted from the total amount of net assets included	4	-
Share acquisition rights	(4)	(-)
Net asset value concerning common shares at the end of the period	42,335	36,548
The number of common shares at the end of the period used to calculate net assets per share	132,231,713	123,854,325

3. The basis of calculating the profit (loss) per share and fully diluted profit per share is as follows.

	(Millions of yen)	
	Year ended August 31,2023	Year ended August 31,2024
Profit per share		
Profit attributable to owners of parent	(12,154)	(3,705)
Amount not attributable to common	-	-
Profit attributable to owners of parent related to common shares	(12,154)	(3,705)
Average number of shares outstanding of common share (Shares)	131,753,229	131,472,546
Fully diluted profit per share		
Adjustment of profit attributable to owners of parent	-	-
Increase in the number of common shares	-	-
share acquisition rights (shares)	(-)	(-)
Overview of dilutive shares not included in the calculation of the amount of fully diluted profit per share due to the absence of the dilutive	-	-

(Significant subsequent event)

None