



## **FY 8/2024 Full-year Results**

October 11, 2024

## FY8/2024 Results

- 1 Revenue 50.4 billion yen (YoY 98%)  
Operating loss 6.0 billion yen (YoY 6.2 bn yen improvement)**
- 2 Strategic priorities for FY8/2024 progressed well**
- 3 Steady progress on stock buyback announced in July 2024**
- 4 FY8/2025 Guidance  
Revenue 53.0 billion yen (YoY 105%) Operating income return to profitability**

# Agenda

**1** **FY8/2024 Results**

**2** **FY8/2025 Guidance**

# FY8/2024 Results

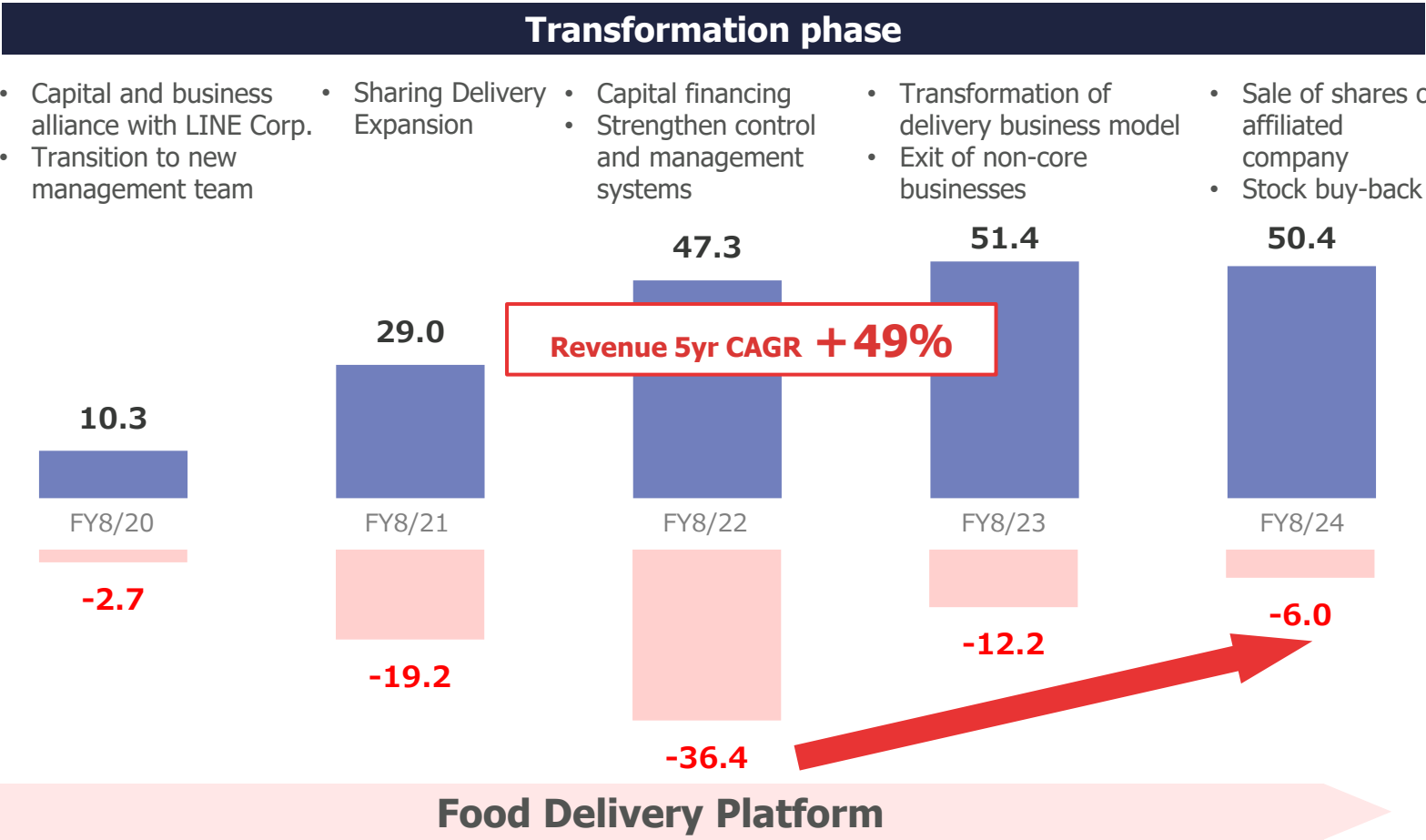
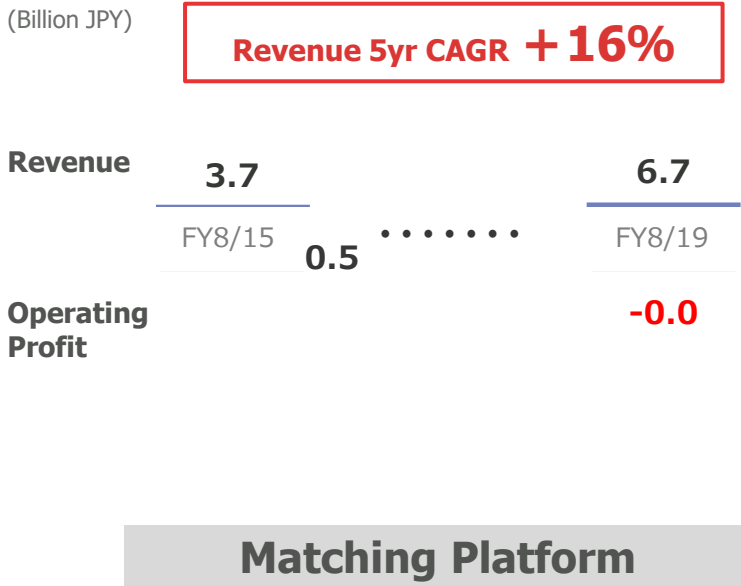
- ✓ FY8/2024 Revenue 50.4 billion yen (YoY 98%) Operating loss 6.0 billion yen (YoY 6.2 billion yen improvement)
- ✓ Revenue and operating income underperformed the revised guidance due to lower order volumes and higher costs resulting from hot weather conditions

	FY8/2023 Actual Results	Revised Guidance in May 2024	FY8/2024 Actual Results	YoY
GMV <sup>1</sup>	205.7 bn	-	190.5 bn	93%
Orders	77.30 mil	-	70.32 mil	91%
Active Users <sup>2</sup>	6.57 mil	-	5.42 mil	83%
Revenue	51.4 bn	51.0 bn	50.4 bn	98%
Gross Margin	20.4%	-	23.0%	+ 2.6%
Operating Profit	(12.2 bn)	(5.5 bn)	(6.0 bn)	+ 6.2 bn

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

# Reflections on the Transformation Phase

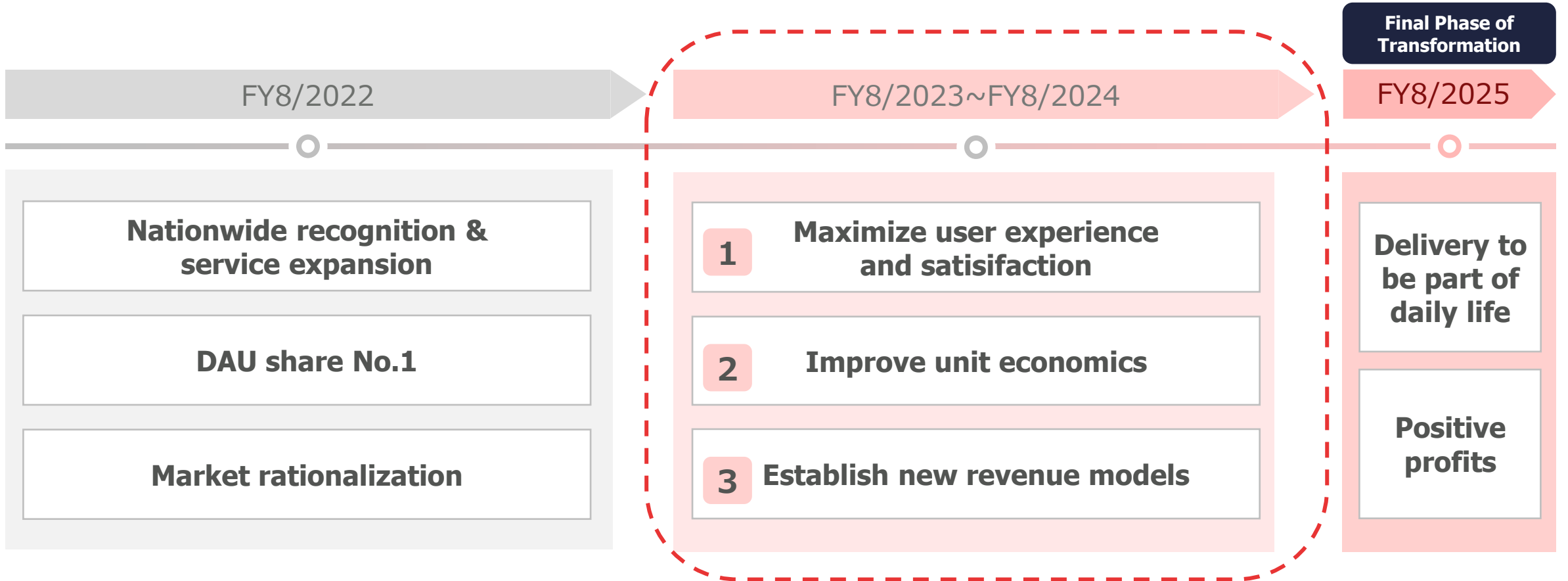
- ✓ Since the transition of the management team, expanded the market ecosystem and captured market share early through aggressive investments
- ✓ Transformation of the platform to serve merchants without delivery (Sharing Delivery) led to a rapid revenue growth
- ✓ Controls and management systems were strengthened. Financial structure significantly improved through transformation of delivery business model, process improvements, and exit of non-core businesses



# Strategic Priorities for FY8/24 progressed well

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✓ FY8/25 Operating income return to profitability as the final phase of Transformation



# 1 Maximize User Experience and Satisfaction

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- ✓ User experience has continuously improved due to ongoing product/service improvements

## UI/UX improvements

## Delivery experience

### Before

### After

#### Shop Top Page



#### Filter / Search



- Highly visible photos and text
- Enhanced searchability
- Improved recommendation
- Revamped coupon page

- Improvement of matching algorithm
- Improved prediction model
- Optimization of area condition

### Delivery time

Consistently  
averaging below  
**30 minutes**

### Late delivery<sup>1</sup>

Improved to  
and less than  
**3%**

1. % of late deliveries for more than 10 minutes

## 2 Improve Unit Economics

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✓ Unit economics improved significantly due to higher revenue per order and lower variable costs

### Revenue

- Increase order value
  - Merchant selection expanded
  - Macro environment
- Improved take rates
  - Changes in order portfolio mix
- Increase ads revenue

### Variable cost

- Optimized delivery costs
- Improve coupon ROI

### Contribution margin

4Q FY22

2%



4Q FY24

31%

**+29pt**



### 3 Establish New Revenue Models

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- ✓ Performance advertising launched in May 2024, and more release to come
- ✓ Quick Mart launched in August 2024

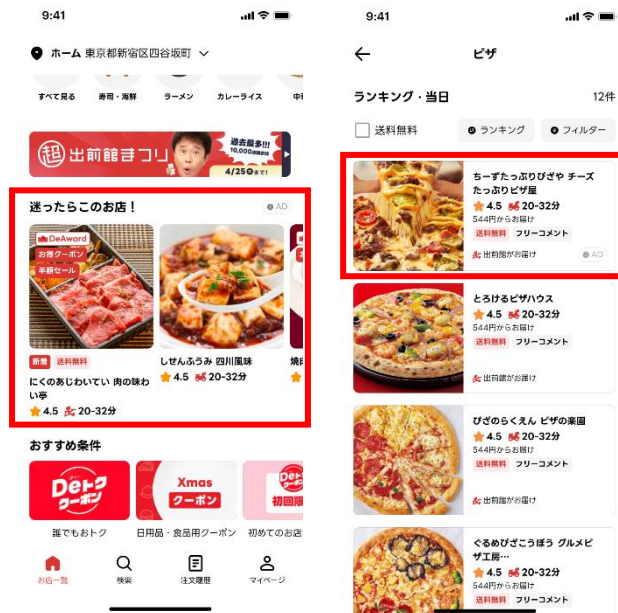
#### Advertisements

- New advertising products for merchants and non-merchants

#### Released in May 2024



#### To Come



#### Quick Mart (Retail)

- As of October 2024, operates in 18 prefectures
- Line-up of retail store increasing



# Agenda

**1** **FY8/2024 Results**

**2** **FY8/2025 Guidance**

# Key Initiatives to Return to Profitability

✓ Increase contribution profit from order growth, improve unit economics and reduce fixed cost leads to positive profits

## Increase contribution profit

Optimize delivery fee, promotional cost and driver cost, and invest in growth

- Dynamic pricing of delivery fee
- Expand coupon functionality / improve ROI
- Optimize driver cost / improve delivery efficiency
- Improve targeting accuracy
- Optimize new user acquisition cost
- Increase take rate (order portfolio)
- Expand retail business
- Increase ads revenue

### Order growth



### Unit Economics improvement



Contribution margin improve to mid-30% range

## Fixed cost reduction

- Outsourcing
- Other fixed costs



Reduce fixed costs by more than 1 billion yen

- ✓ Negative order trend to turn positive in the second half of FY8/25; various product releases scheduled in the first half
- ✓ FY8/2025 Guidance: Revenue 53.0 billion yen (YoY 105%). Operating income return to profitability

	FY8/2024	FY8/2025	
	Actual Results	Guidance	YoY
Revenue	50.4 bn	53.0 bn	105%
Operating Profit	(6.0 bn)	1.0 mil	-

# Appendix

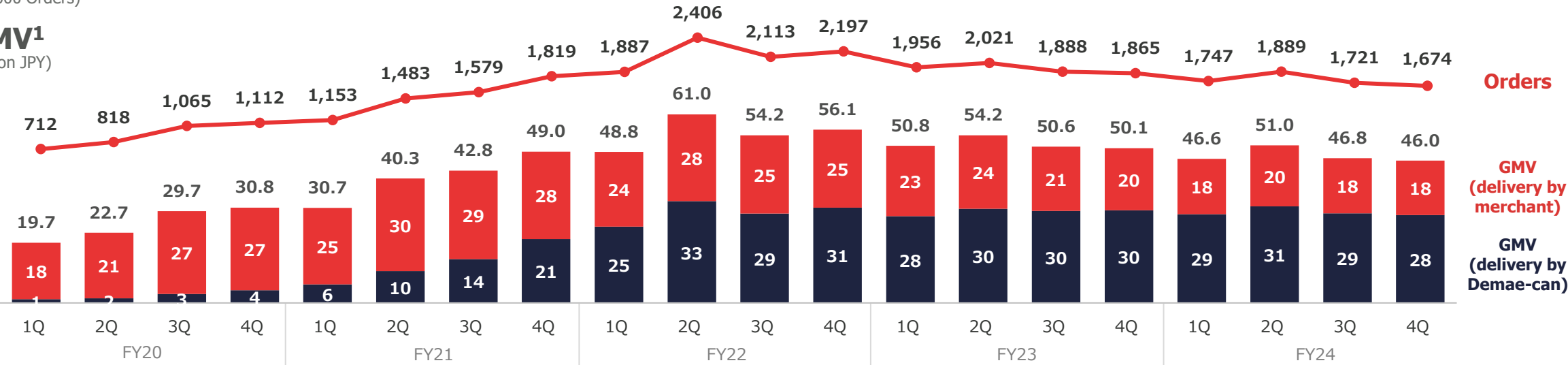
# Major KPIs

## Orders

(10,000 Orders)

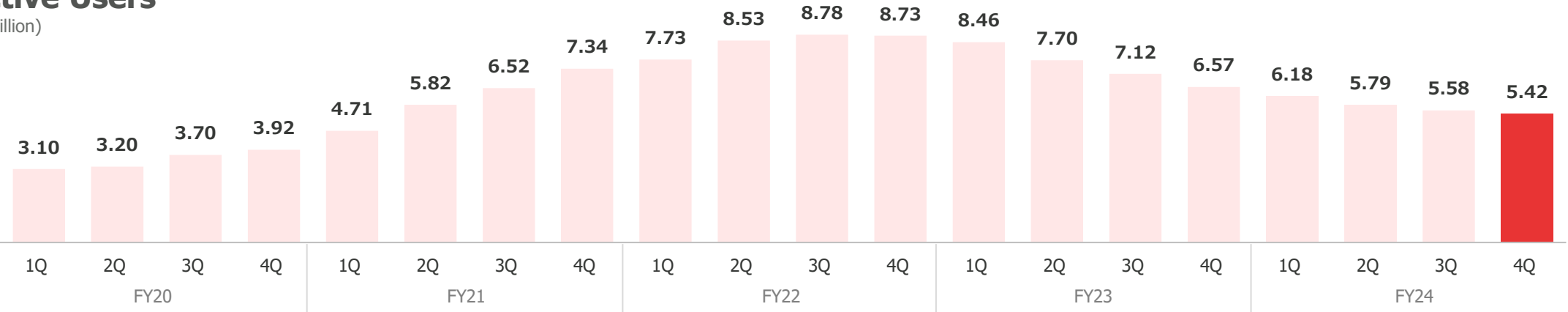
## GMV<sup>1</sup>

(Billion JPY)



## Active Users<sup>2</sup>

(Million)



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

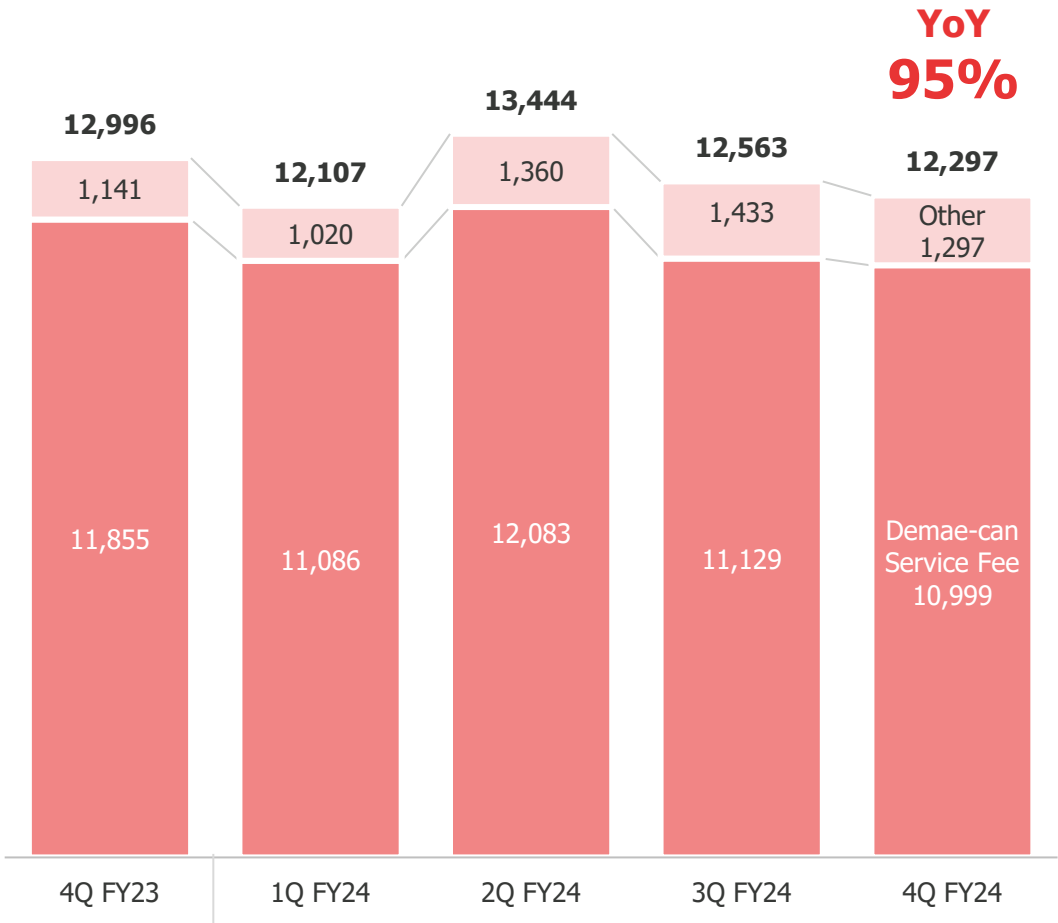
Summary of Consolidated Income Statement

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(Million JPY)	FY 8/2023					FY 8/2024						
	1Q	2Q	3Q	4Q	Full-Year	1Q	2Q	3Q	4Q	YoY	QoQ	Full-Year
Revenue	12,193	13,193	13,033	12,996	51,416	12,107	13,444	12,563	12,297	94.6%	97.9%	50,411
Demae-can Service Fee	11,516	12,358	11,834	11,855	47,550	11,086	12,083	11,129	10,999	92.8%	98.8%	45,299
Other	677	835	1,199	1,141	3,866	1,020	1,360	1,433	1,297	113.7%	90.5%	5,112
Cost of Sales	9,943	10,806	10,112	10,047	40,909	9,364	11,148	9,120	9,169	91.3%	100.5%	38,803
Gross Profit	2,250	2,387	2,921	2,949	10,507	2,743	2,296	3,442	3,127	106.0%	90.9%	11,608
Gross Margin	18.5%	18.1%	22.4%	22.7%	20.4%	22.7%	17.1%	27.4%	25.4%	+2.1pt	-2.0pt	23.0%
SG&A	6,494	6,883	4,928	4,462	22,767	3,999	5,434	4,246	3,920	87.8%	92.3%	17,600
Labor	1,291	1,207	982	892	4,374	909	902	966	949	106.4%	98.3%	3,727
Marketing	2,854	3,377	1,788	1,644	9,664	1,461	2,725	1,488	1,523	92.7%	102.4%	7,198
Other	2,348	2,298	2,157	1,926	8,730	1,628	1,806	1,792	1,447	75.1%	80.7%	6,674
Operating Profit	(4,244)	(4,495)	(2,007)	(1,513)	(12,259)	(1,256)	(3,137)	(804)	(793)	-	-	(5,991)

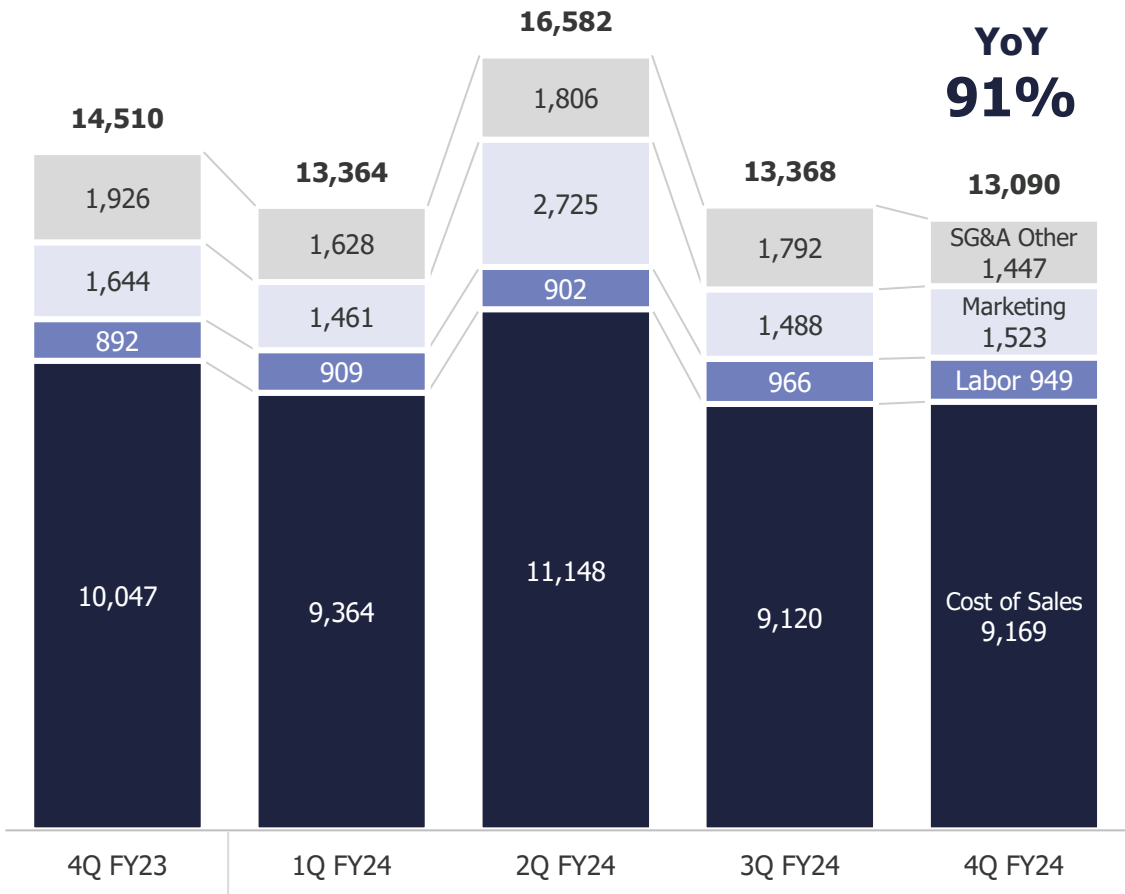
## Revenue

(Million JPY)



## Operating Cost

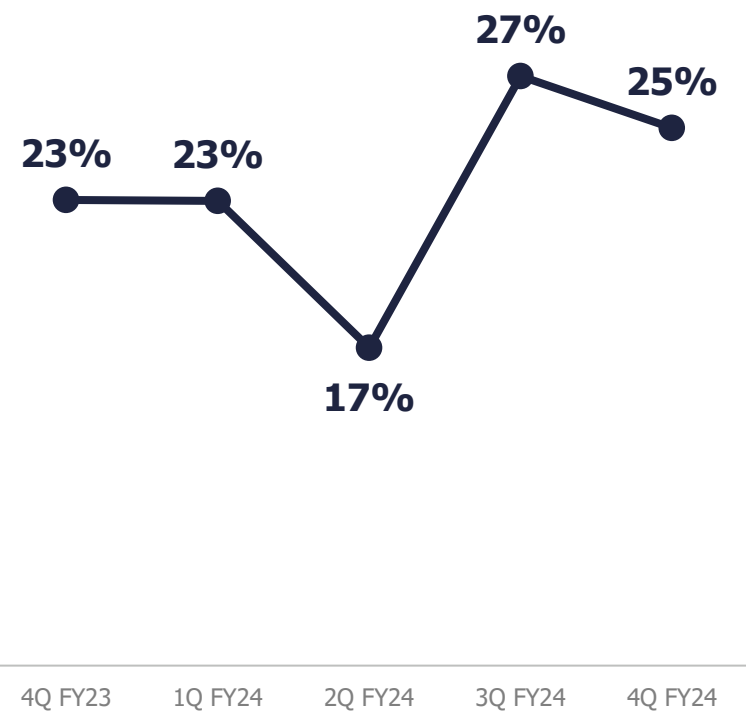
(Million JPY)





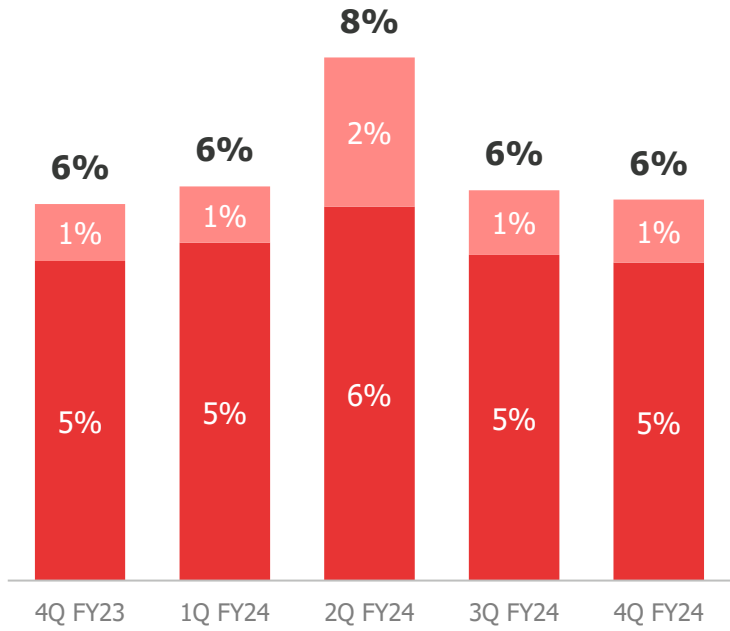
# Decreasing Operating Expenses

Gross margin



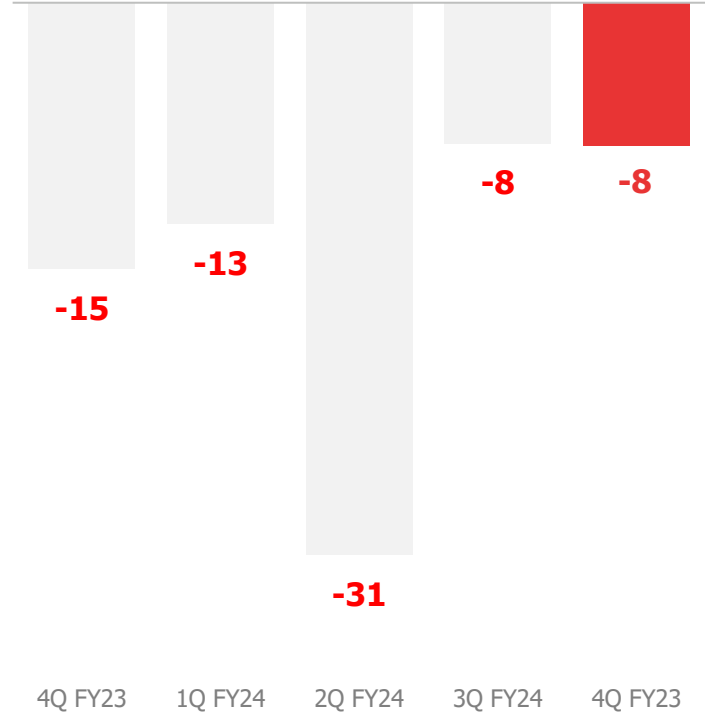
Marketing and sales promotion cost (% of GMV)

- Coupons for new acquisition, marketing costs for recognition, user attraction, etc.
- Coupons for existing users, promotion and campaign etc.



Operating profit

(100million JPY)



**Thank you** 

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