



FY 8/2025 1st Quarter Results

January 14, 2025

Business Highlights

Q1 FY8/2025 Highlights

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- ✓ Q1 FY8/2025 Revenue 11.0bn yen (YoY 91%, YoY 1.1bn decrease), Operating loss 0.4 bn yen (YoY 0.9bn improvement)
- ✓ Steady improvement in profitability due to continuous improvement of unit economics and optimization of fixed costs
- ✓ Concentrate on improving service fundamentals and improve user experience to reverse the negative order trend second half

	Q1 FY8/2024	Q1 FY8/2025	YoY	FY8/2025 Guidance
GMV ¹	46.6 bn	40.5 bn	87%	-
Revenue	12.1 bn	11.0 bn	91%	53.0 bn (Progress: 21%)
Gross Margin	22.7%	28.1%	+5.4%	-
Operating Profit	▲1.3 bn	▲0.4 bn	+0.9 bn	Positive profit

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

1Q Service Update: UI/UX Improvements (Coupon/Performance Ad)

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- ✓ Improved usability of coupons by renewal of functionality including update of coupon page and introducing more varieties
- ✓ Personalized merchant recommendations to users using generative AI; maximize ROI for merchants via performance ad

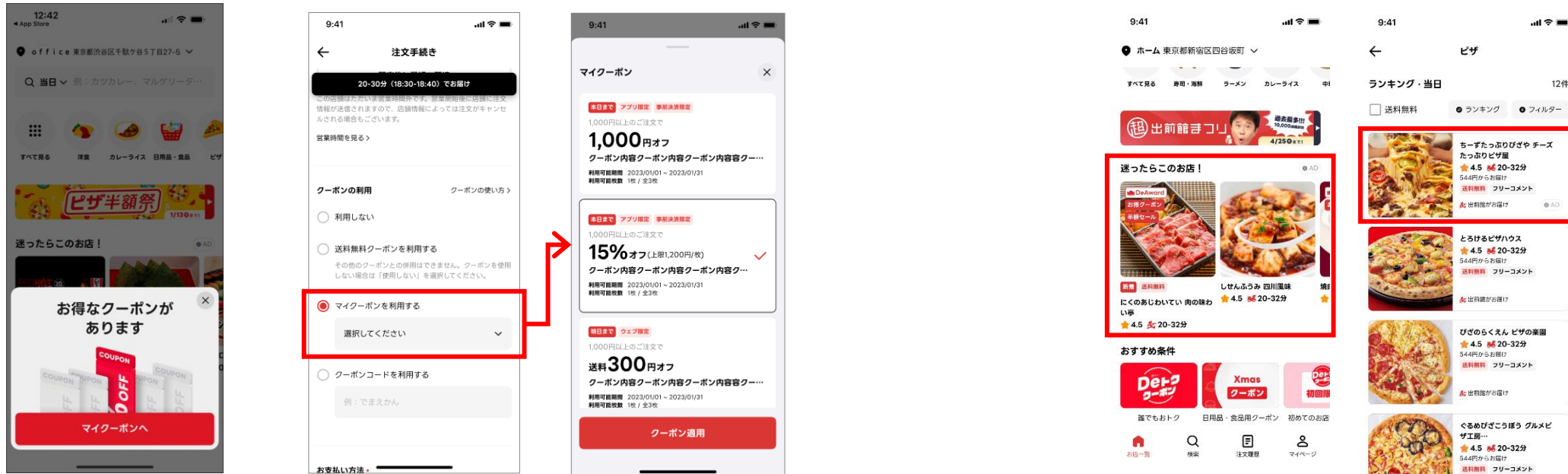
Expand coupon functionality

- More varieties of coupons
- Usability improvement

Performance ad

- Personalized recommendation to users using generative AI
- Cost-Per-Order pricing maximizes ROI for merchants

UI/UX renewal and functionality



1Q Service Update: Safe and Secure Delivery for Users

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- ✓ Ensuring a safe and secure delivery experience for users, including enhanced customer support
- ✓ Continue to provide high delivery quality, including accurate delivery time

Enhanced user support

- Expansion of help pages and improvement of response rules

Number of inquiries

December 2024

YoY **38% decrease**

Primary response resolution% ¹

Dec. 2023

Dec. 2024

68%



85%

+ 17pt

Facial recognition of drivers

- Prevent 'spoofed' deliveries



Delivery quality

- Provide high quality delivery service

Good rate²

90%

1. Percentage of inquiries received from users that are handled by operators who provide primary response

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

1Q Service Update: Improved Delivery Experience for Drivers

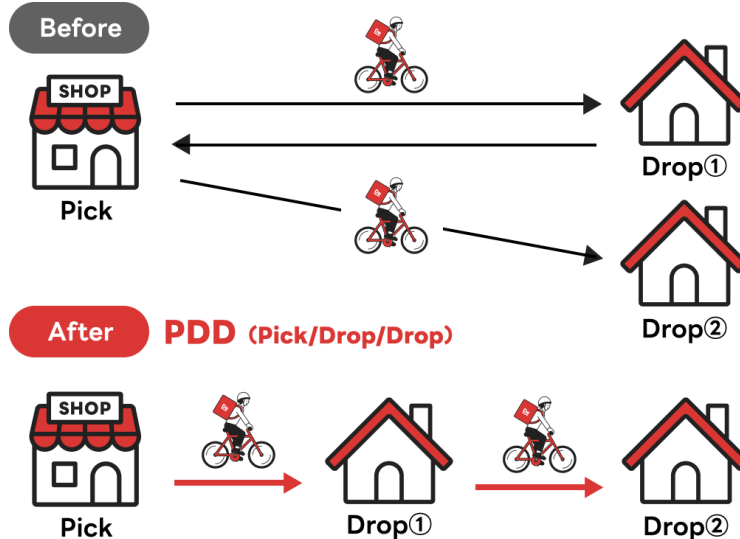
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- ✓ Reduce labor and increase compensation opportunities for drivers by introducing delivery patterns that shorten delivery distance
- ✓ Provide a safe and secure working environment and increase loyalty by enhancing support for drivers

Improved delivery logic

- Improved matching algorithms and introduction of new delivery patterns to reduce delivery distance and improve delivery efficiency

Reduce delivery distance¹



Enhanced driver support

- Expansion of support structure and improved response rules

Primary response resolution%²

Dec. 2023 Dec. 2024

68% 98%

+ 30pt

Delivery support program

- Increased satisfaction and loyalty



1. Patterns where products are picked up at the same merchant for two separate delivery destinations
2. Percentage of inquiries received from drivers that are handled by operators who provide primary response

1Q Service Update: Expansion of Quick Mart (Retail)

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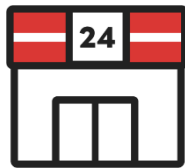
- ✓ Steady progress in expanding the number of merchants, delivery areas and product categories
- ✓ Improve user experience by expanding cooperation with LY Corporation

Expansion of delivery area and merchants

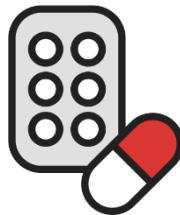
- Exceeded 2,000¹ merchants
- Expanded delivery area to 43 prefectures
- Diversify product categories



Supermarkets



Convenience stores



Drugstores

Cooperation with LY Corporation

- High user experience for LYP Premium members and PayPay users

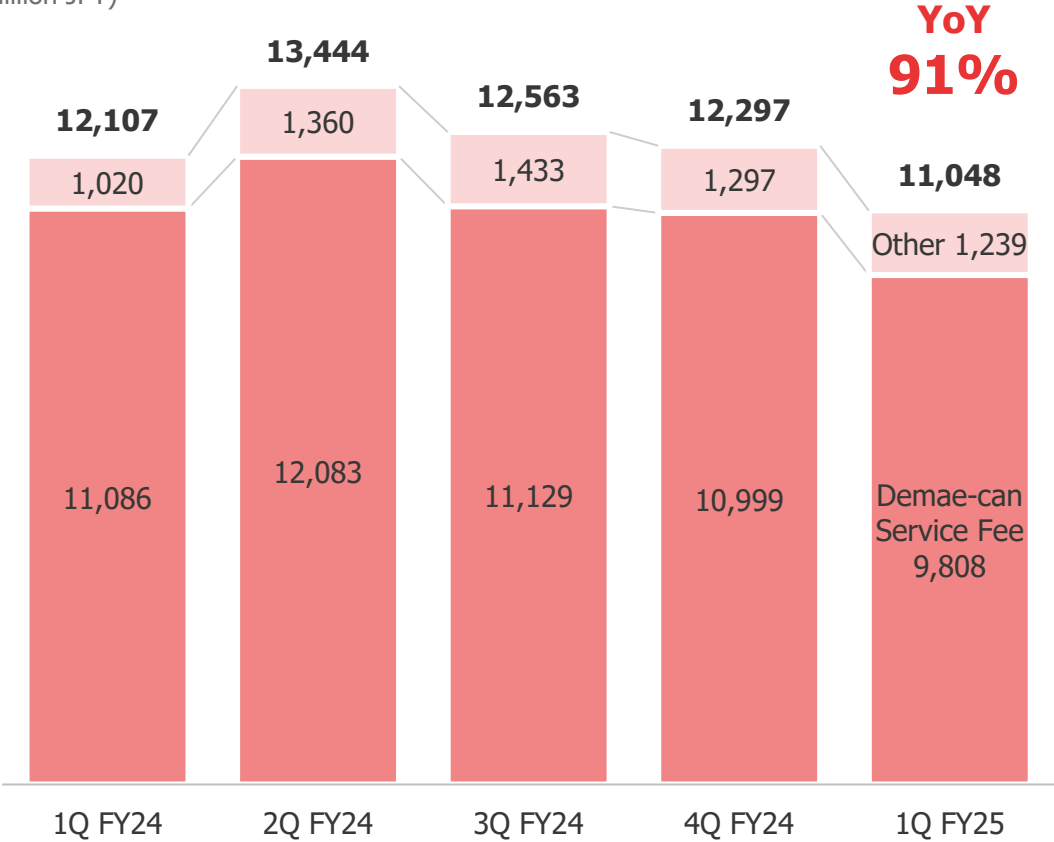


Financial Highlights

- ✓ Revenue resulted 91% YoY, in-line with FY8/2025 guidance overall
- ✓ Operating expenses reduced to 86% YoY, due to continuous improvement of unit economics and reduction of fixed costs

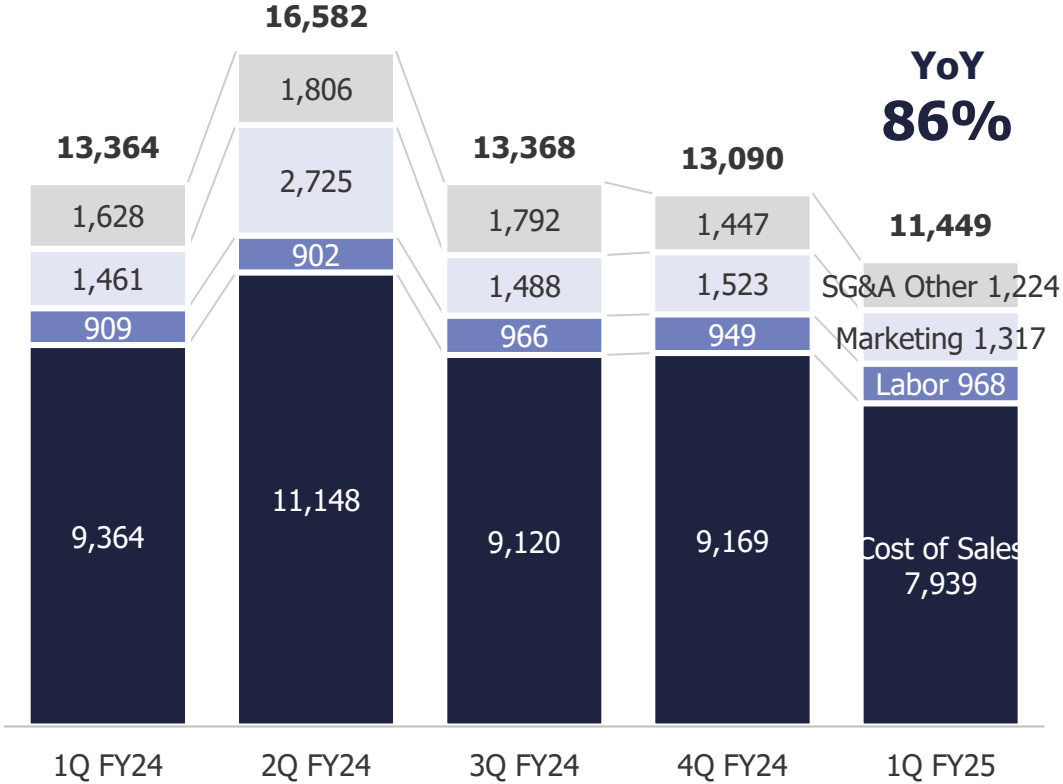
Revenue

(Million JPY)



Operating Cost

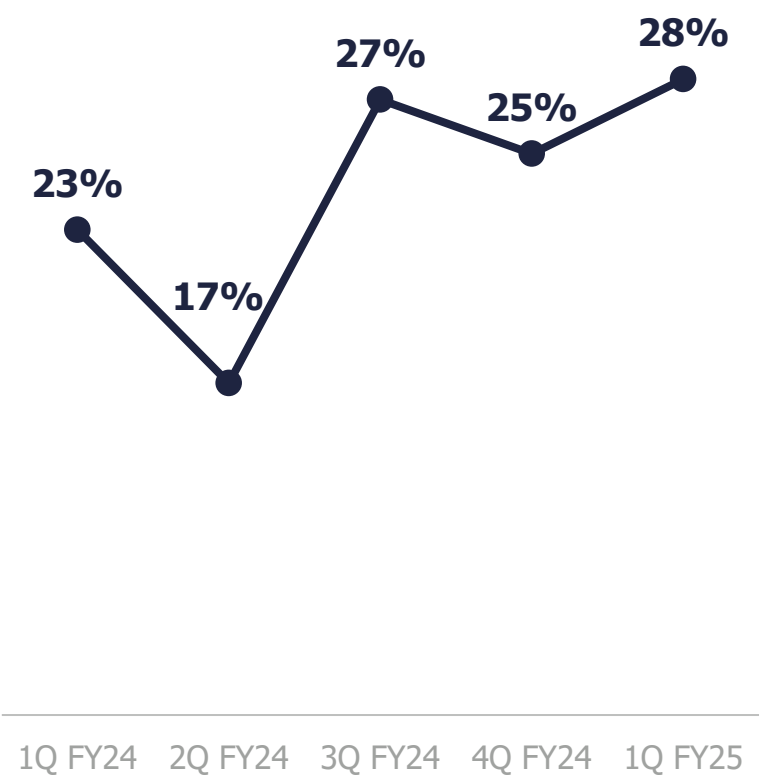
(Million JPY)



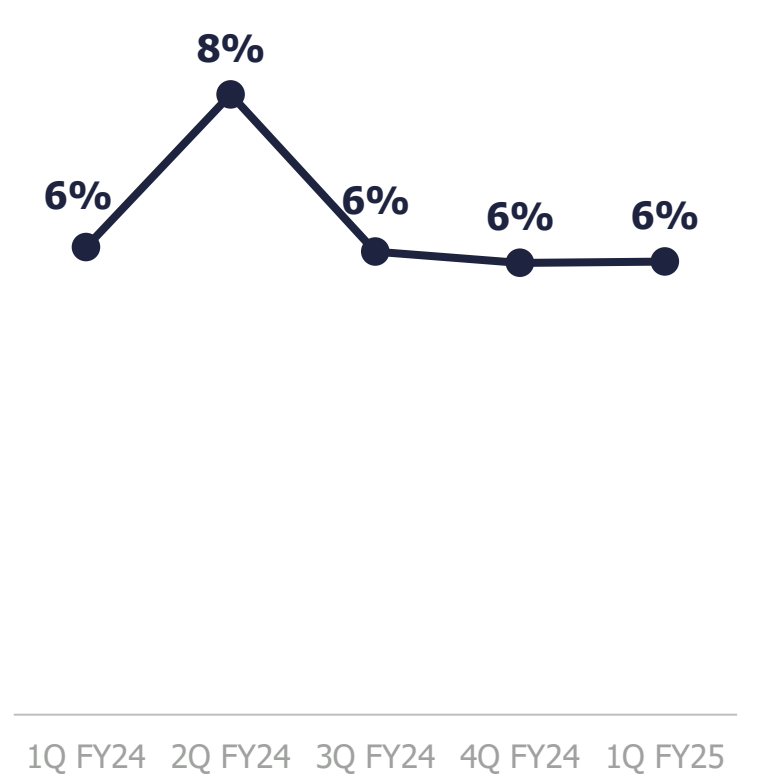
Decreasing Operating Expenses

- ✓ Gross margin improved due to increased delivery efficiency
- ✓ Continued discipline in investments and optimizing fixed cost leading to significant improvement in operating profit

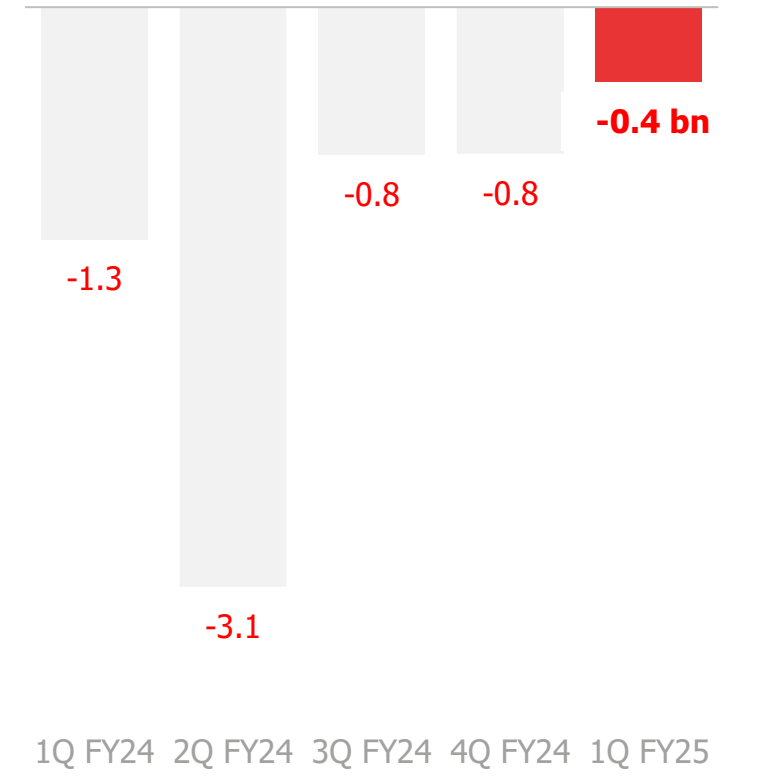
Gross margin



Marketing and sales promotion cost (% of GMV)



Operating profit



Appendix

Summary of Consolidated Income Statement

(Million JPY)	FY 8/2024				FY 8/2025		
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Revenue	12,107	13,444	12,563	12,297	11,048	91.3%	89.8%
Demae-can Service Fee	11,086	12,083	11,129	10,999	9,808	88.5%	89.2%
Other	1,020	1,360	1,433	1,297	1,239	121.5%	95.5%
Cost of Sales	9,364	11,148	9,120	9,169	7,939	84.8%	86.6%
Gross Profit	2,743	2,296	3,442	3,127	3,109	113.4%	99.4%
Gross Margin	22.7%	17.1%	27.4%	25.4%	28.1%	+5.4pt	+ 2.7pt
SG&A	3,999	5,434	4,246	3,920	3,510	87.8%	89.5%
Labor	909	902	966	949	968	106.4%	101.9%
Marketing	1,461	2,725	1,488	1,523	1,317	90.2%	86.5%
Other	1,628	1,806	1,792	1,447	1,224	75.2%	84.6%
Operating Profit	(1,256)	(3,137)	(804)	(793)	(400)	-	-

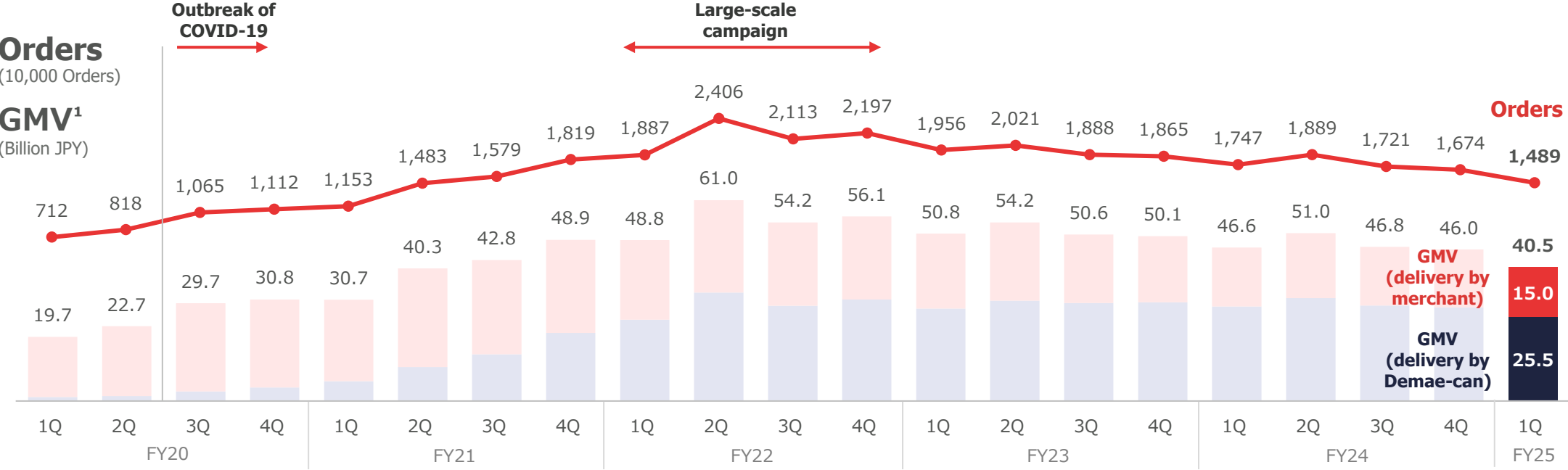
Major KPIs

Orders

(10,000 Orders)

GMV¹

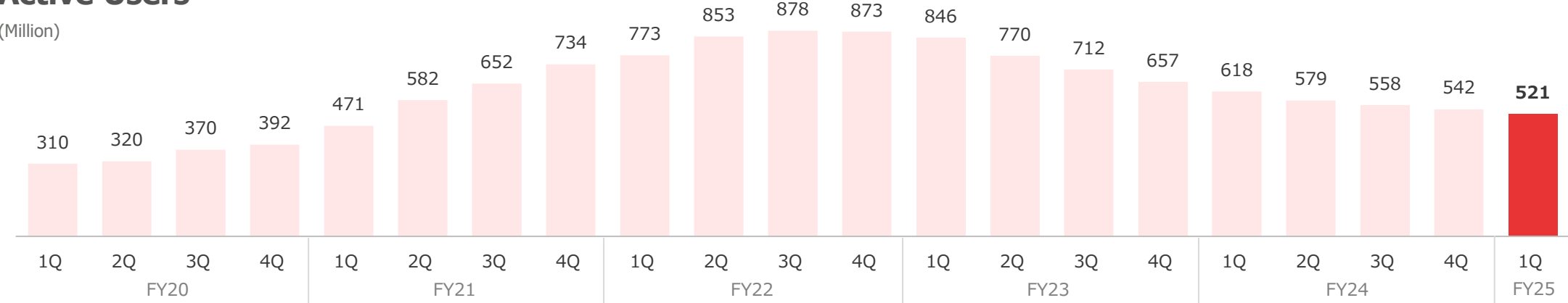
(Billion JPY)



5yr CAGR
+16%

Active Users²

(Million)



5yr CAGR
+11%

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 (Excluding QuickMart results)

Stock Buyback Update

Cumulative total of stock buyback

	Buyback status as of December 2024	Upper limit / Progress
Shares	18.9 mn shares	22.0 mn shares / 85.7%
Amount	4.7 bn yen	5.0 bn yen / 94.2%

Thank you 

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