



FY 8/2021 Full Year Results

October 14th, 2021

Business Highlights

FY 8/2021 Highlights – All Key KPIs Achieved

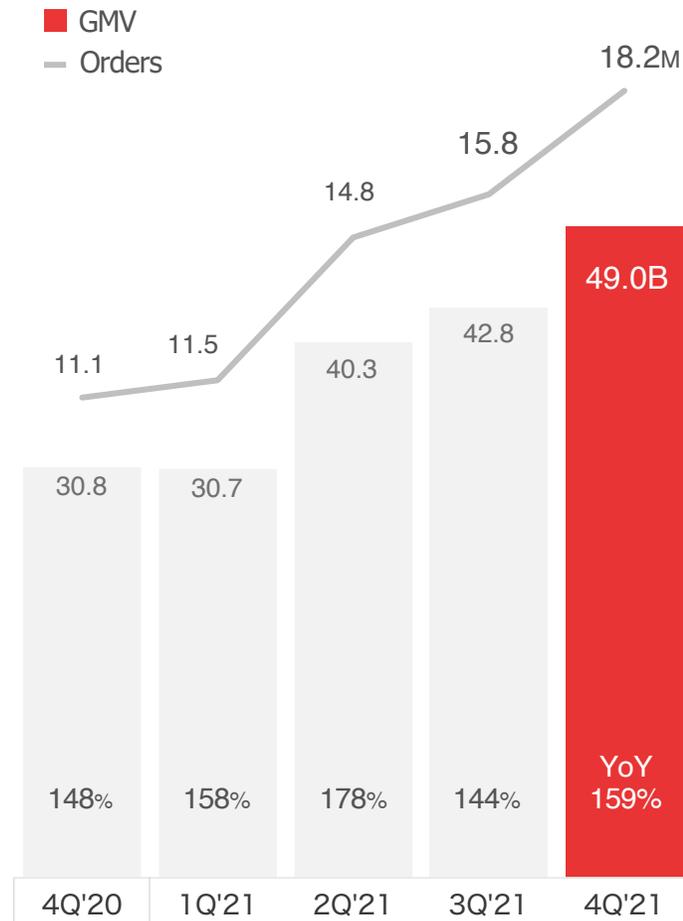
	<u>Target</u>	<u>Actual</u>		
<u>KGI</u>				
GMV¹	160	162.7 B JPY	✓	YoY 158%
<u>KPI</u>				
Merchant	75	84 K	✓	YoY 256%
Active Users²		7.34 M		YoY 156%
Sharing Delivery Household Coverage	36	56 %	✓	

1. Gross merchandise value ("GMV"), which is the gross order value of the Company's online food delivery business (such as the total price of the food) and any delivery fee. GMV prior to October 2020 excluded discounts on delivery fees

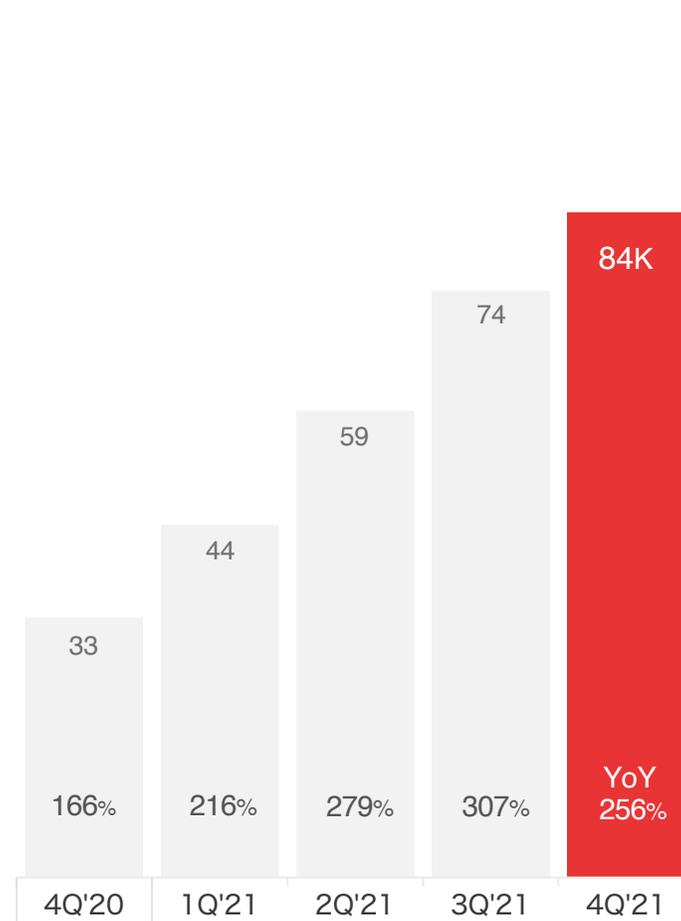
2. Represents the number of users who placed order at least once within the last twelve months

All Key KPIs continue to show significant YoY growth

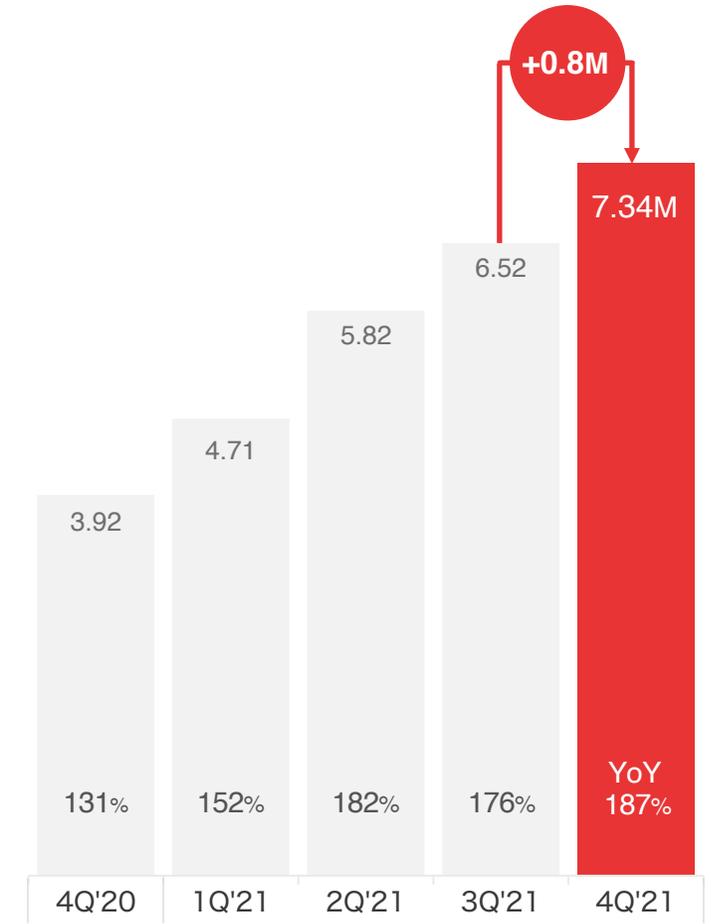
GMV / Orders



Merchants

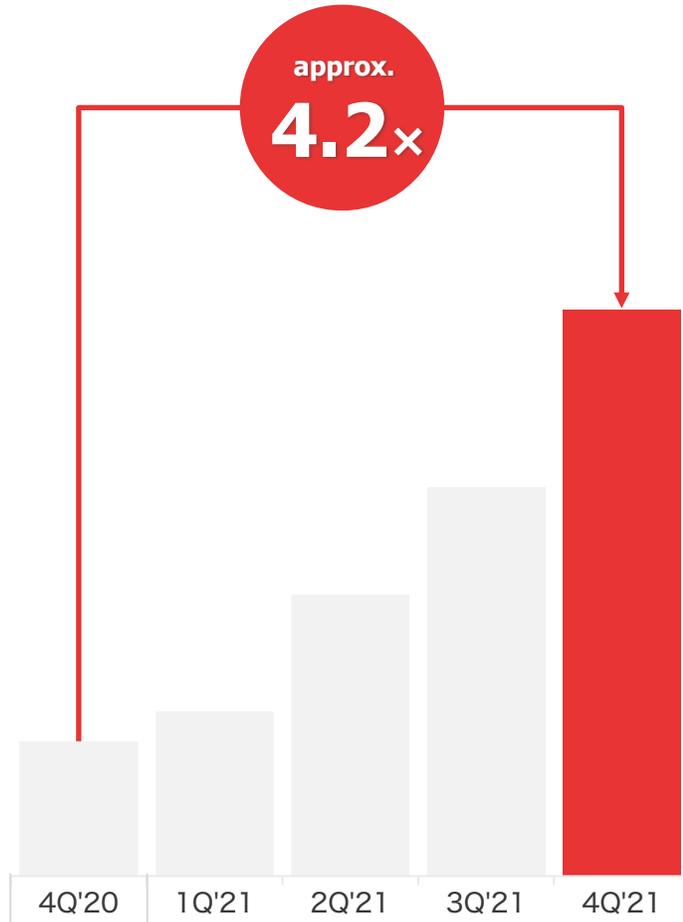


Active Users



Sharing Delivery Continue Expanding

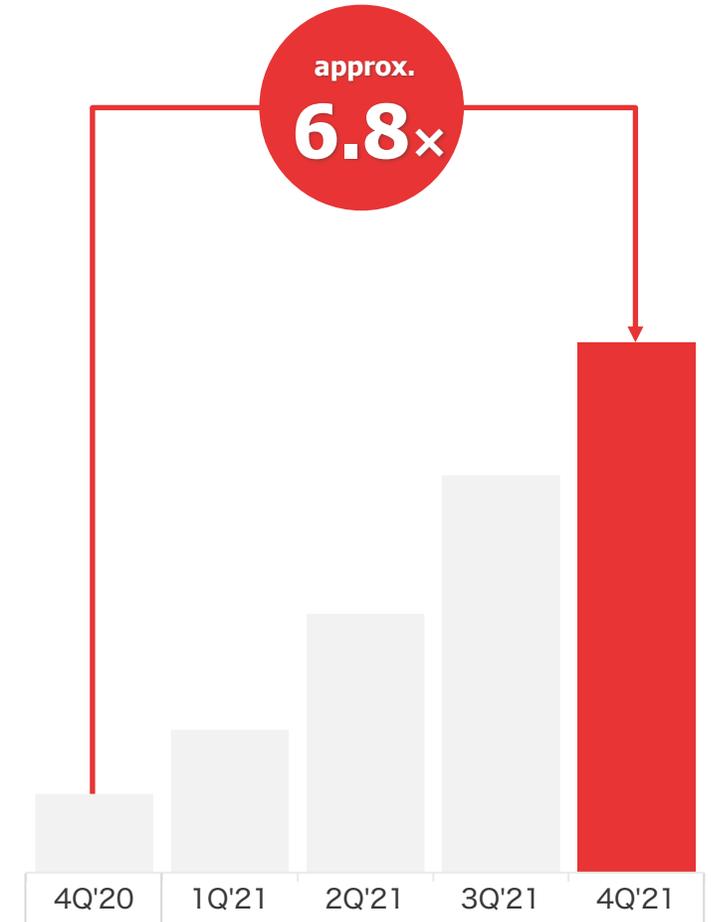
Sharing Delivery GMV



Sharing Delivery Merchants



of Delivery staff



1. The number of registered riders

Improved Brand Value and Awareness

Ranked **3rd** most favorite TV commercial¹

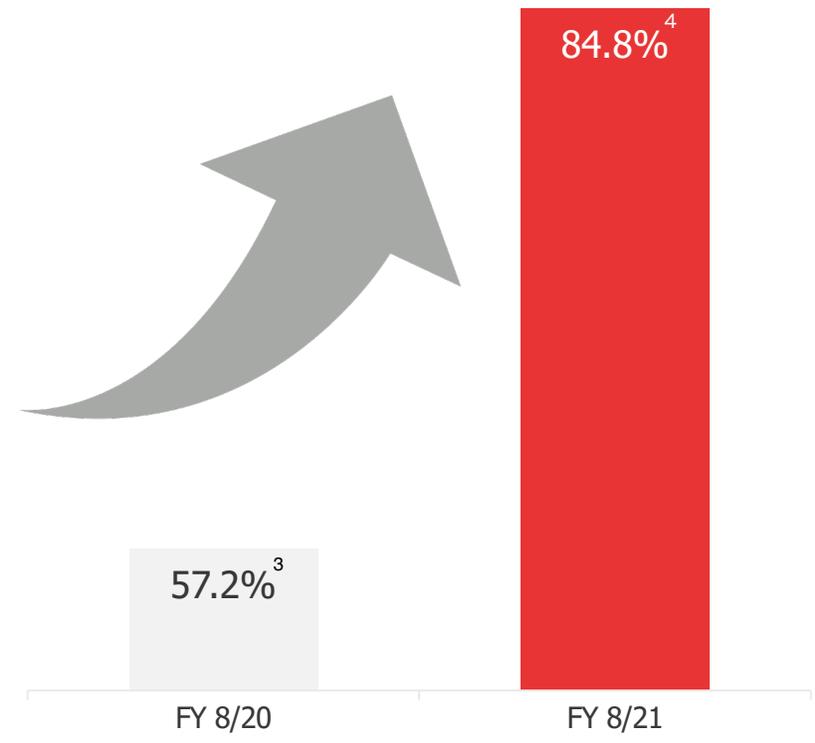


Increasing recognition on Social Media

	Aug. 2020	Aug. 2021	YoY
 Twitter Followers	48k	310k	+26.2k
 LINE Official Account Friends	28.5M	38.7M	+10.3M

1. Source: CM Soken Consulting
 Among 2,661 TV ads aired on major TV network stations in Tokyo during the period of Dec.20,2020 to Jan.19, 2021. Survey based on 3,000 people living in Kanto region.

Brand Recognition Uplift ²



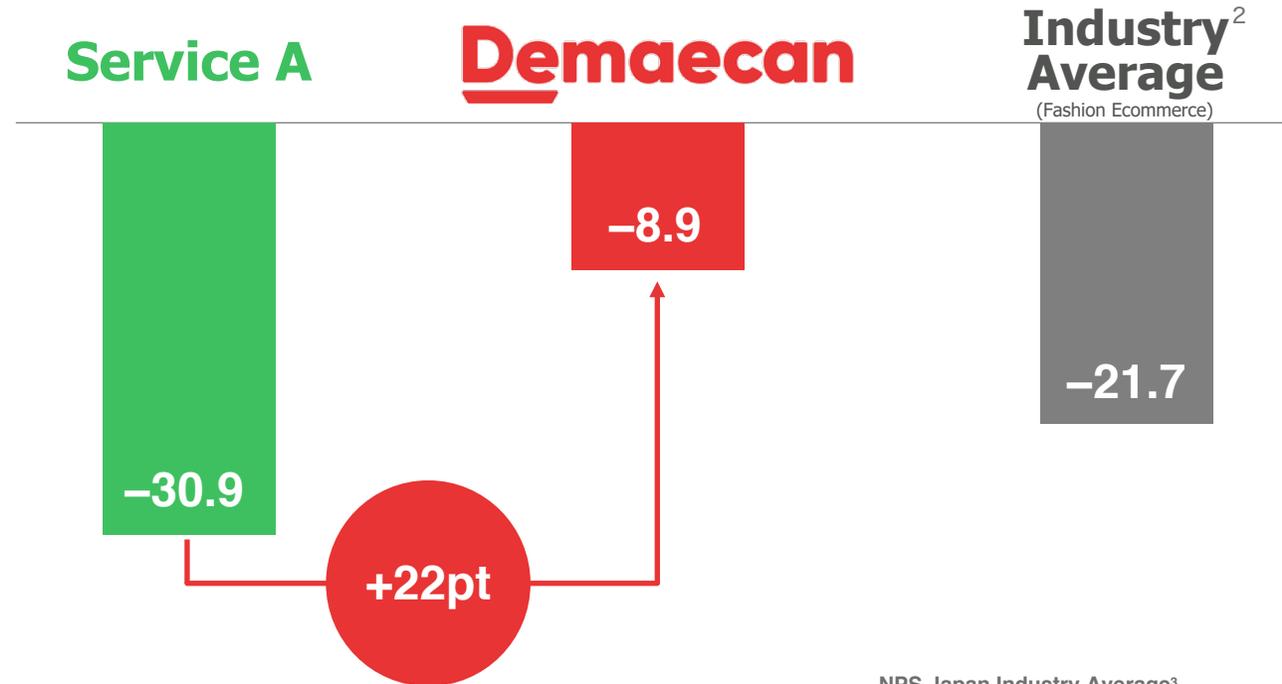
2. Based on a smartphone survey targeted for 2,500 male/female between age of 15 to 69 using "LINE Research Platform" conducted periodically by Demae-can
 3. The result of the survey conducted in July 2020
 4. The result of the survey Conducted in March 2021

Improved Brand Value and Awareness

Providing superior user experience compared to other platform

NPS¹

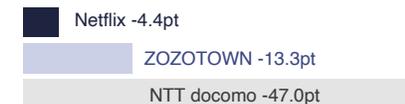
(Customer loyalty index)



NPS Japan Industry Average³



NPS Japan Industry Leader³



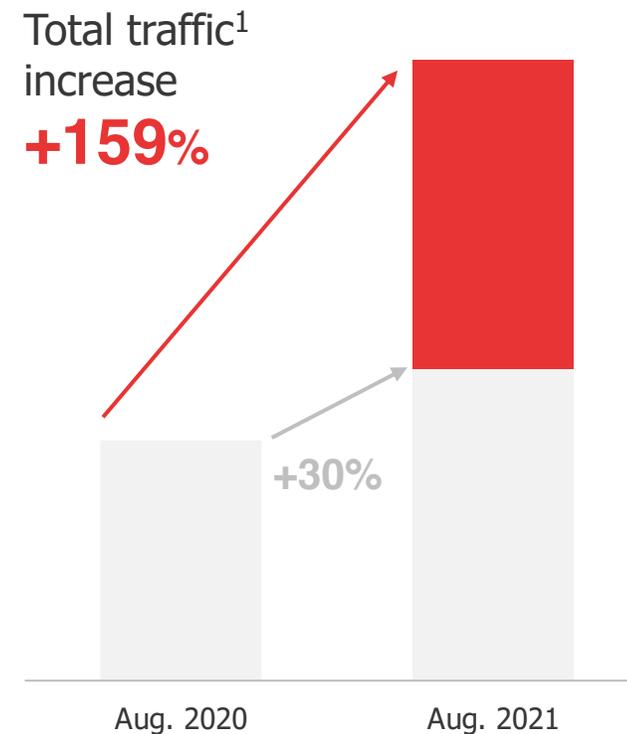
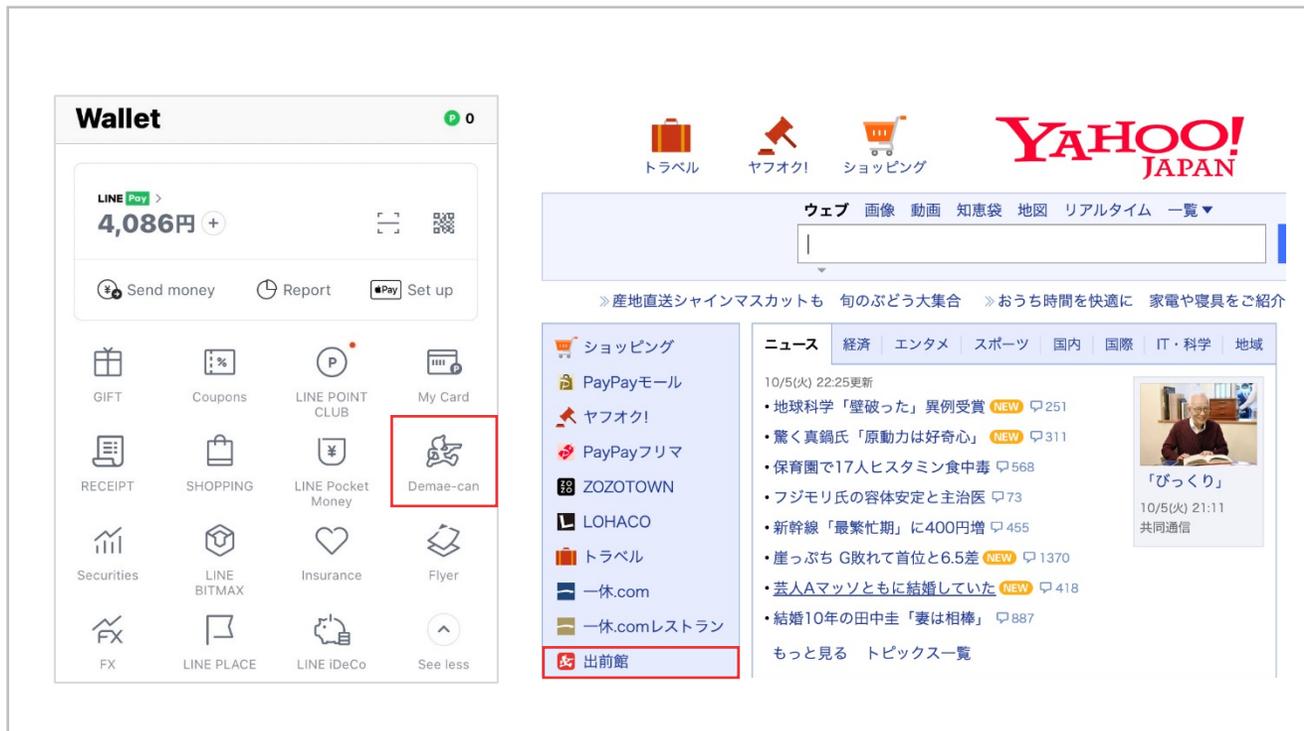
1. Based on a smartphone survey on LINE Research Platform conducted by Monitas, Inc, a third-party research firm, from April 15 to 20, 2021. Received 2,000 answers from male/female aged between 15 to 69.
2. Referring to Fashion Ecommerce Industry average
3. "NPS Industry Ranking & Award," NTTCom Online Marketing Solutions Corporation (<https://www.nttcoms.com/service/nps/report/>)

Traffic and Acquisition of New Users

LINE / Yahoo! JAPAN synergy provides access to untapped user base

- ✓ Linking to LINE ID
- ✓ Targeted message via LINE Official Account
- ✓ Traffic from LINE / Yahoo! JAPAN media

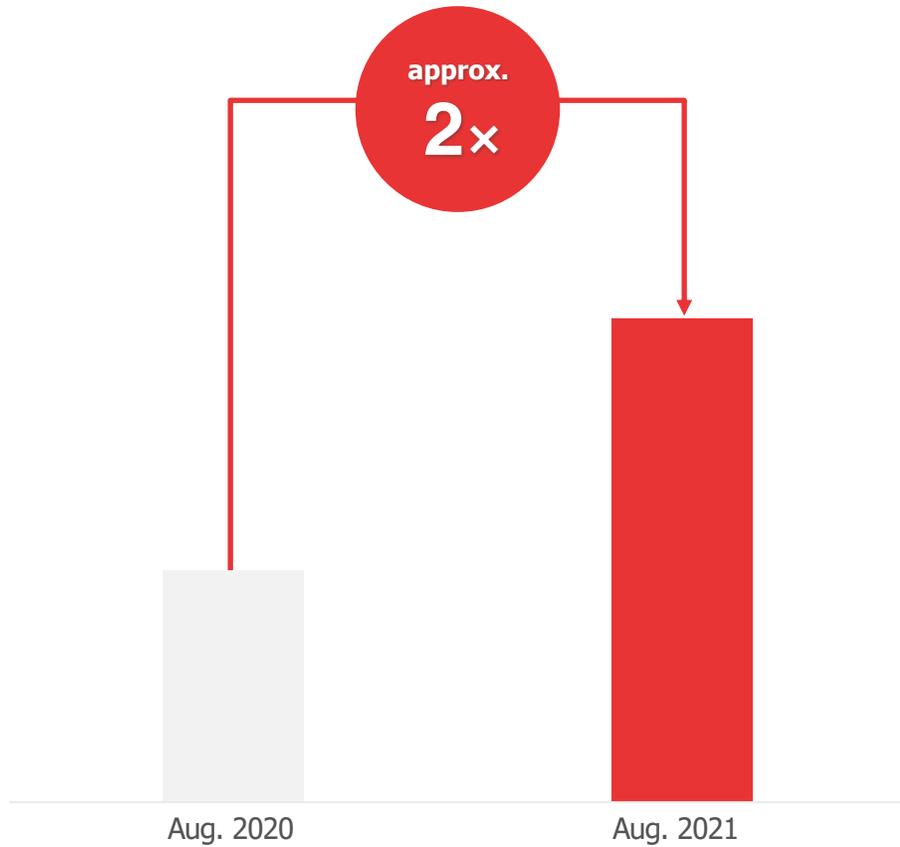
- Traffic from LINE/Yahoo
- Traffic from other media



1. Indicates the number of traffic led to Demae-can website through the media during each month

Robust Sharing Delivery Ecosystem

GMV per Sharing Delivery merchant¹



Sharing Delivery available in all 47 prefectures

Popular local merchants



1. Average GMV per merchant of the 9,355 Sharing Delivery merchants that were open on Demae-can as of Aug. 2020

User



- Recommend module
- Rider GPS tracker
- Enriched review function

Merchant



- Performance dashboard
- Improved order management app UI

Rider



- Dynamic area control
- Improved driver app UI



User

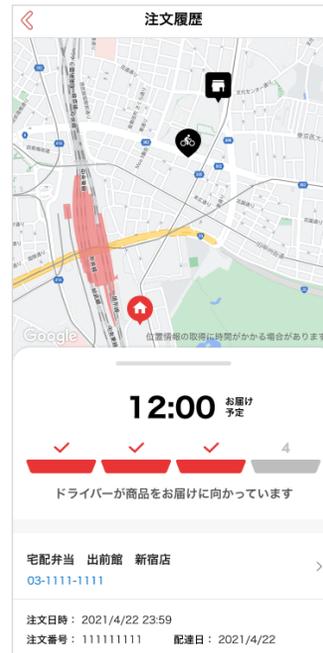
Recommend Module

- ✓ Recommend module on Top page, cart, and order completion page
- ✓ Personalization for better CVR



Rider GPS Tracker

- ✓ Real-time rider location



Enriched Review Function

- ✓ Users reviews food, rider, and merchant
- ✓ Increased reviews from simpler posting flow and photo upload functions



Merchant



Performance dashboard

✓ Access to actual results/data to analyze performance on Demae-can

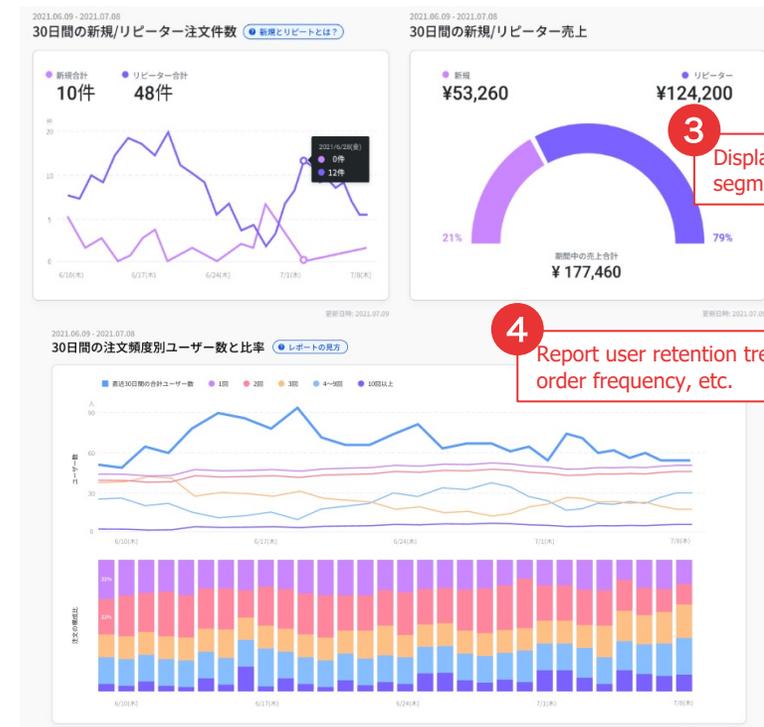


1 Performance comparison to other merchants

2 Ranking among merchants in the same area

Improved order management app UI

✓ Better usability



3 Display user data by segment (new / repeater)

4 Report user retention trends, order frequency, etc.



Rider

Dynamic Area Control

- ✓ Delivery area shrinks/expands flexibly based on demand



Improved Driver App UI

- ✓ Better usability with improved visibility and operability



FY 8/2022 Outlook

	<u>FY2021</u>	<u>FY2022</u>		
<u>KGI</u>				
GMV	162.7	330 B JPY	✓	YoY 203%
<u>KPI</u>				
Active Users	7.5	12 M	✓	YoY 163%
Sharing Delivery # of Riders		360 %		

FY 8/2021

- ✓ **Improve Brand Awareness**
- ✓ **Nationwide Sharing Delivery Coverage**
- ✓ **Merchant Base Expansion**

FY 8/2022

- ✓ **Regional/Local Strategy**
- ✓ **Retention Improvement**
- ✓ **Increase GMV per Merchant**

Further Engagement with Merchants

Launched white label service "De Direct"— Received applications from 6,000 stores in 1.5 months

- ✓ Expansion of the food delivery to merchant's fan base
- ✓ Easy to apply and set up
- ✓ Accelerate D/X of merchants

Strength of De Direct

- Create a merchant dedicated delivery site without development/maintenance costs
- Information on Demaecon is uploaded to De Direct, enabling speedy launch
- Merchants can directly attract fans/users to delivery

DeDirect

お店専用の
デリバリーサイトを
かんたん作成

DeDirectのご利用でホームページをデリバリー対応。
飲食店様の売上機会を最大化します

無料で始める



Improve User Retention

- ✓ Number of orders per month¹ increased 120% YoY
- ✓ Focus on improving order frequency

Notable initiatives

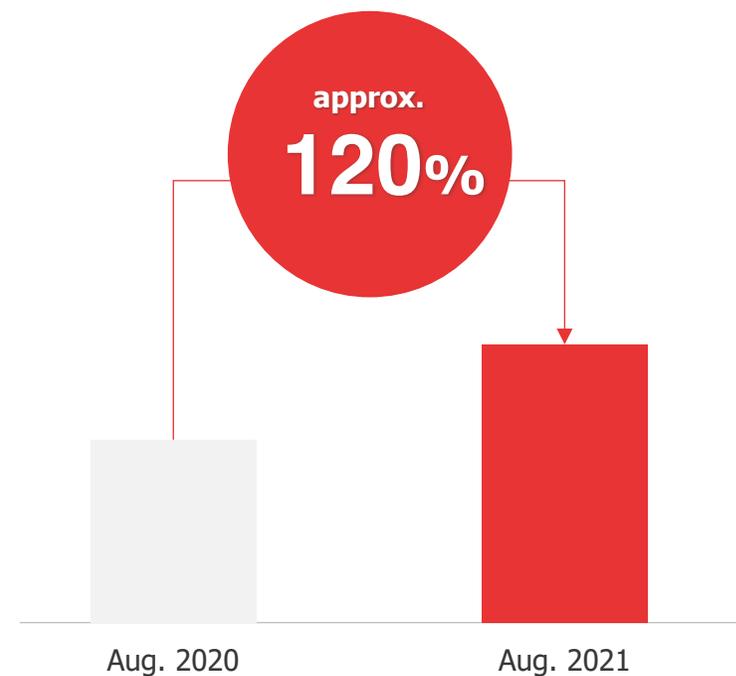
Loyalty program

- Membership rank based on order frequency
- Offer reward in accordance with the membership rank

Personalization

- Utilize Demae-can data (order/preference/demographic/etc.)
- Push instant notification to existing users

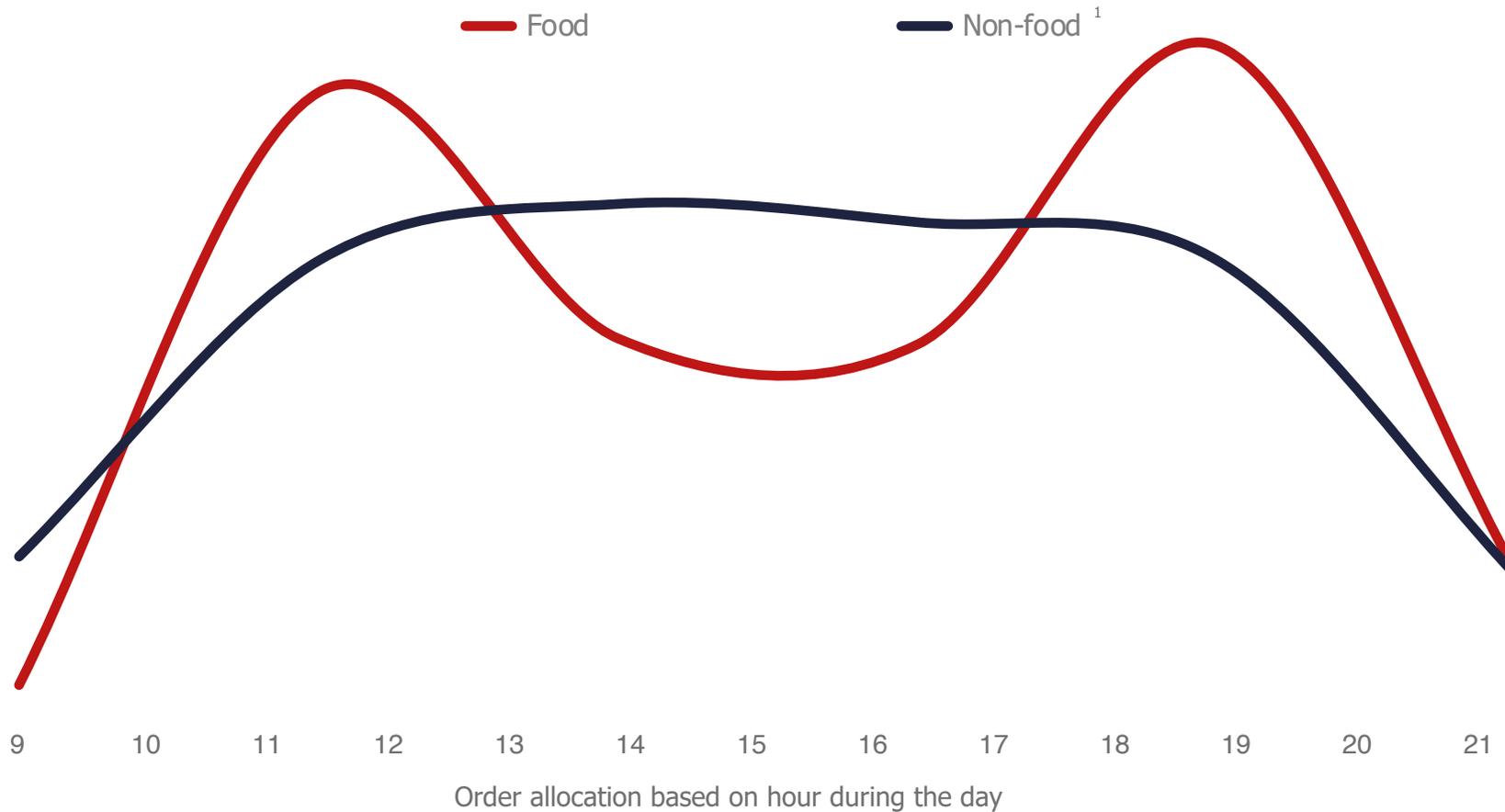
of orders per user per month¹



1. Number of orders per month from users who placed orders in August 2020

Consistent Earning Opportunity for Riders

Expanding non-food categories to provide consistent delivery needs



1. Non-food includes daily necessities and beverages

Partnering with Z Holdings to Delivery beyond food

- ✓ Instant delivery service of daily necessities in collaboration with ASKUL/Z Holdings
- ✓ Understanding the instant last mile delivery needs

Outline



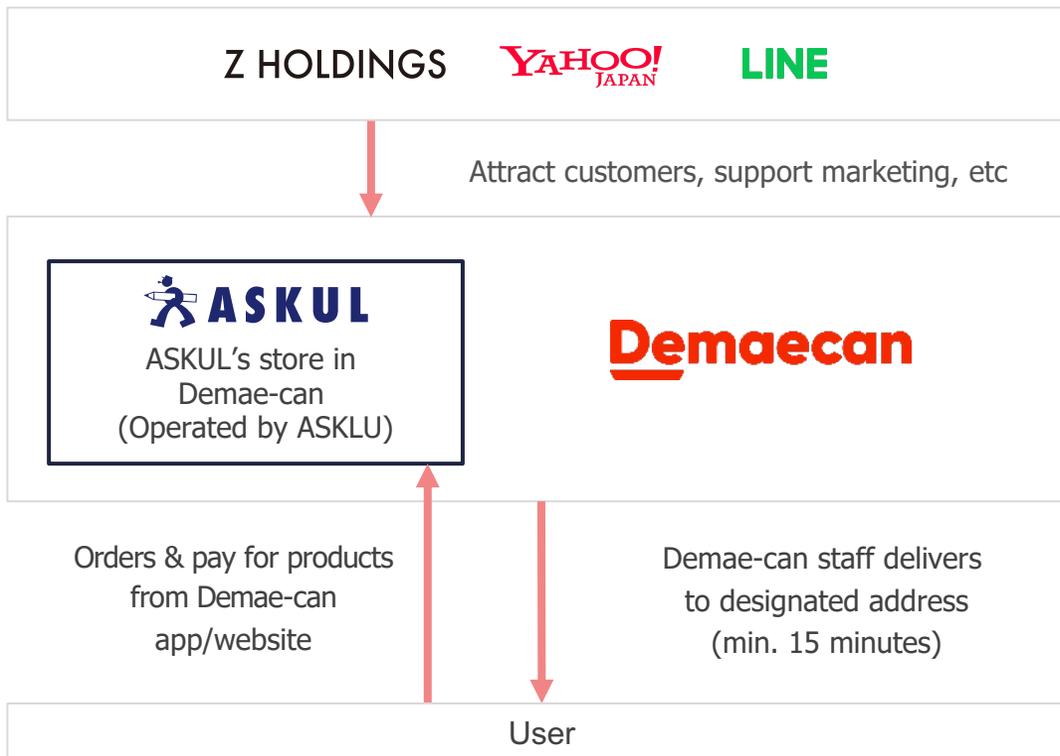
Approx. 300 SKU

- Daily necessities (e.g. laundry products, cleaning products, batteries, baby products, hygiene products, pet products, etc.)
- Food and beverages (e.g. chilled food, frozen food, cup noodles, pouched food, bread, juice, alcoholic beverages, etc.)



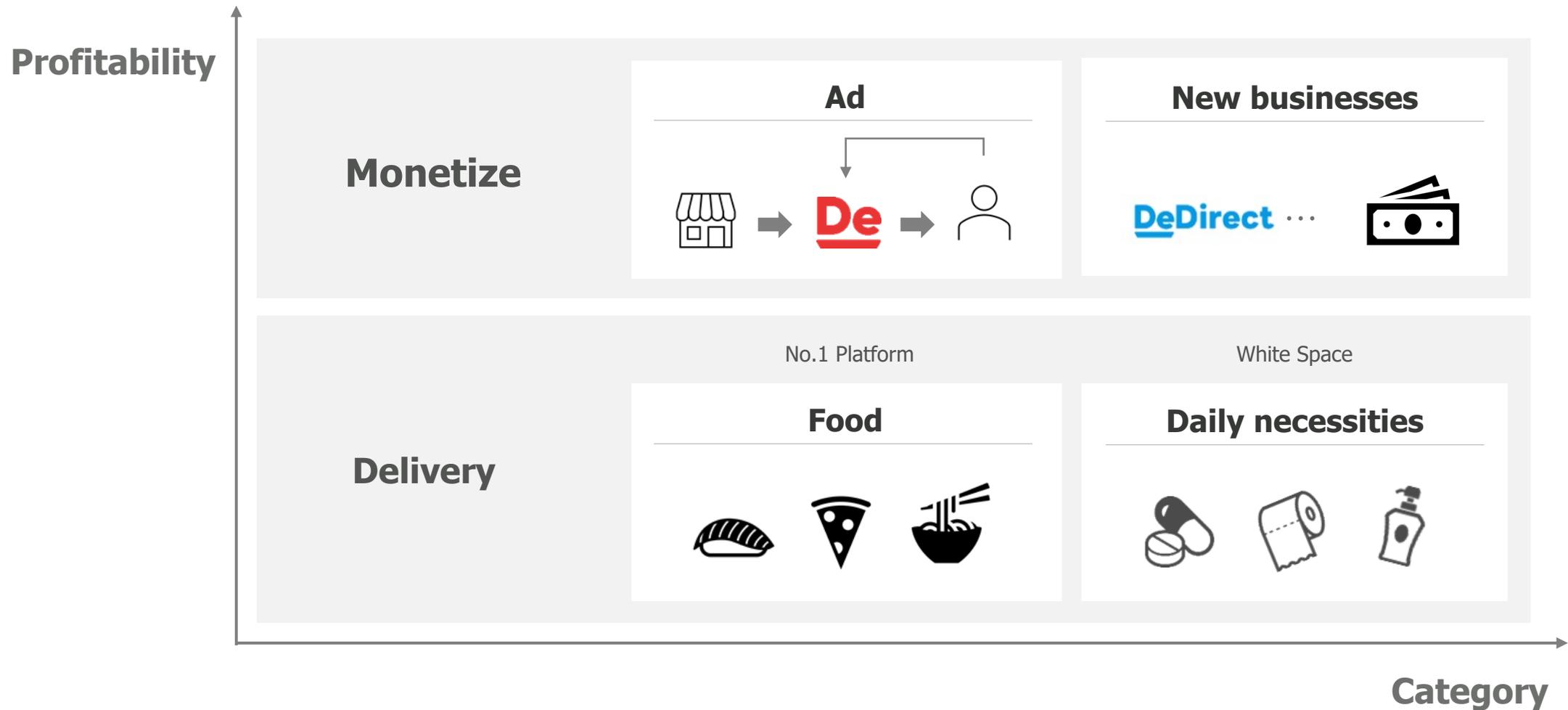
Products Handled

Instant Delivery – Structure



Expansion Opportunity

- ✓ Expand vertical and monetizing opportunity



Financial Highlights

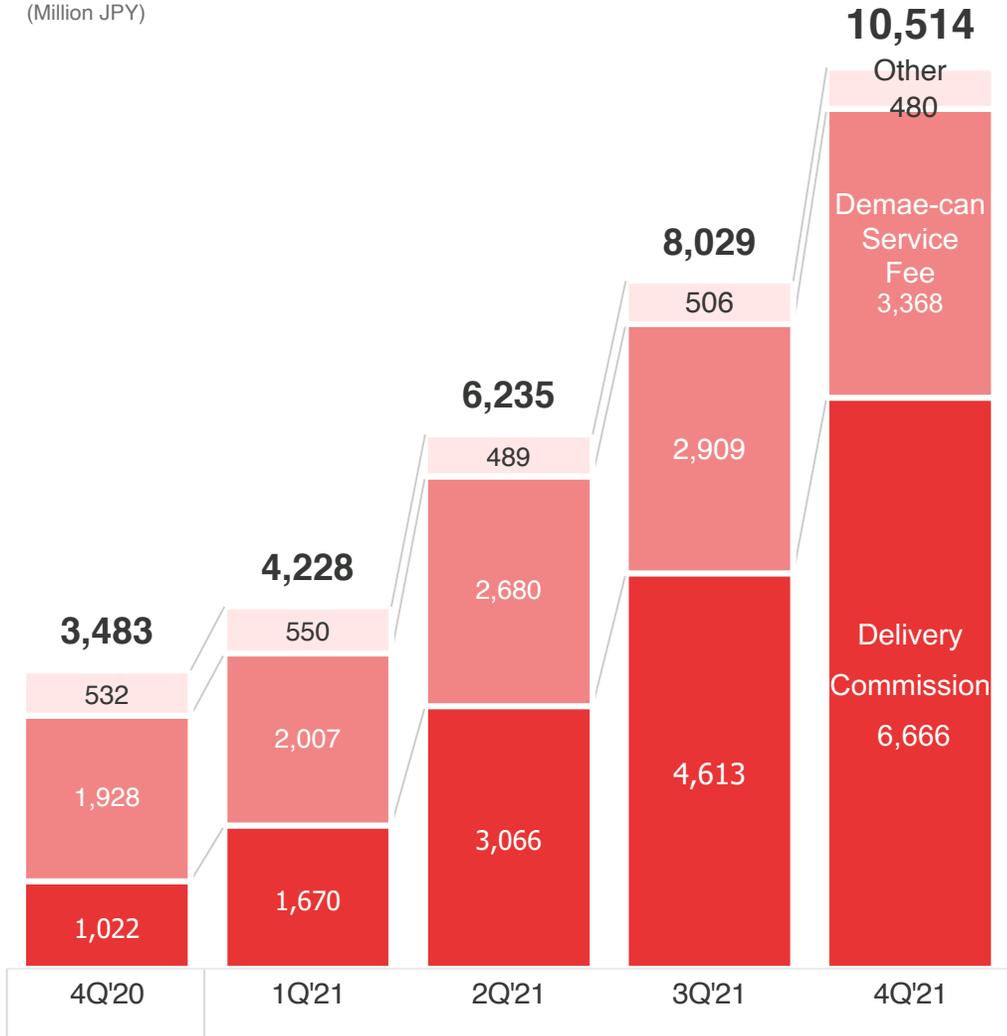
Overview of FY 8/2021 Financial Results

	(Billion JPY)	Revised forecast announced at 3Q	FY 8/2021	YoY
GMV		160.0	162.7	158%
Revenue		29.0	29.0	281%
Operating Profit		(19.0)	(17.9)	-
Profit attributable to owners of parent		(21.5)	(20.6)	-

Revenue

YoY 302%

(Million JPY)



Other

YoY (52M) JPY (YoY 90%)

Decline of business revenue from subsidiary

Demae-can Service Fee

YoY +1,440M JPY (YoY 175%)

Increase in orders dues to the expansion of merchants and users

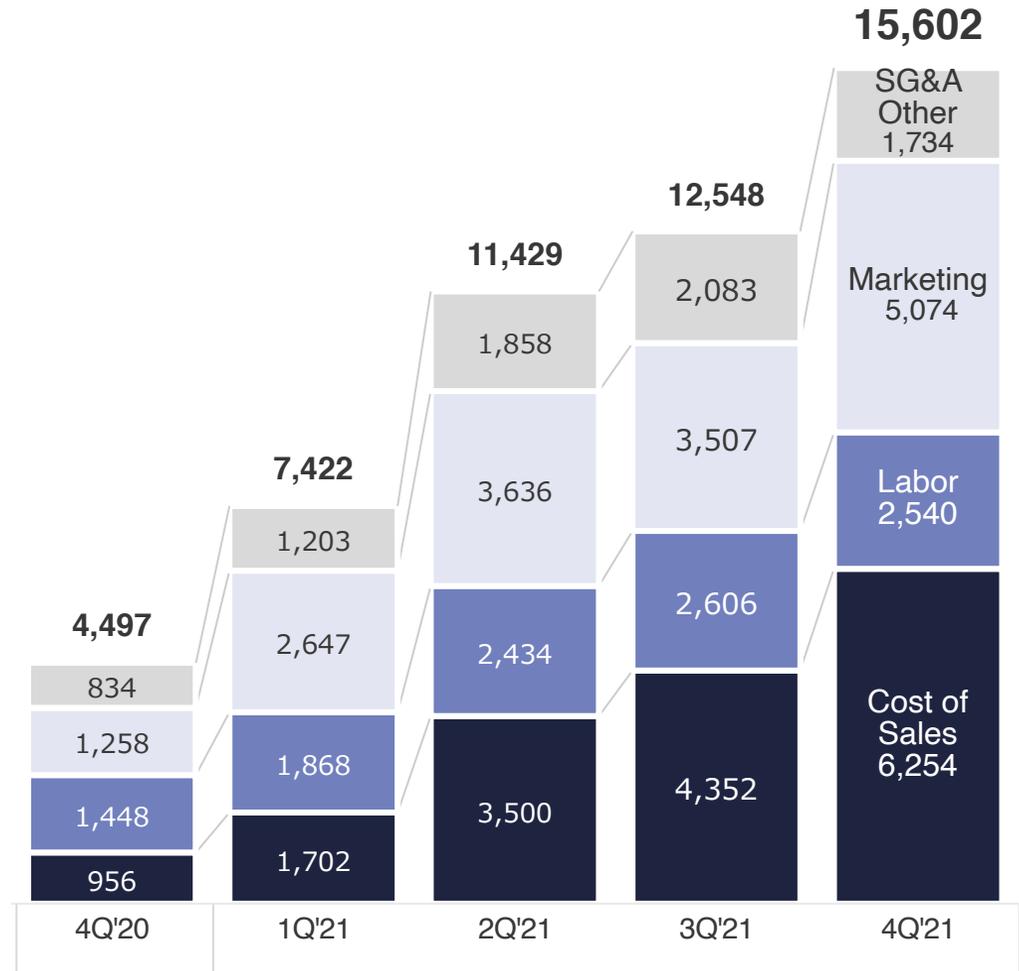
Delivery Commission

YoY +5,644M JPY (YoY 652%)

Increase in the number of sharing delivery orders

Cost of Sales / SG&A

(Million JPY)



SG&A Other

YoY +900M JPY (YoY 207%)
 Increase in outsourcing fee (merchant acquisition)

Marketing

YoY +3,816M JPY (YoY 403%)
 Increase in campaign and promotion cost

Labor

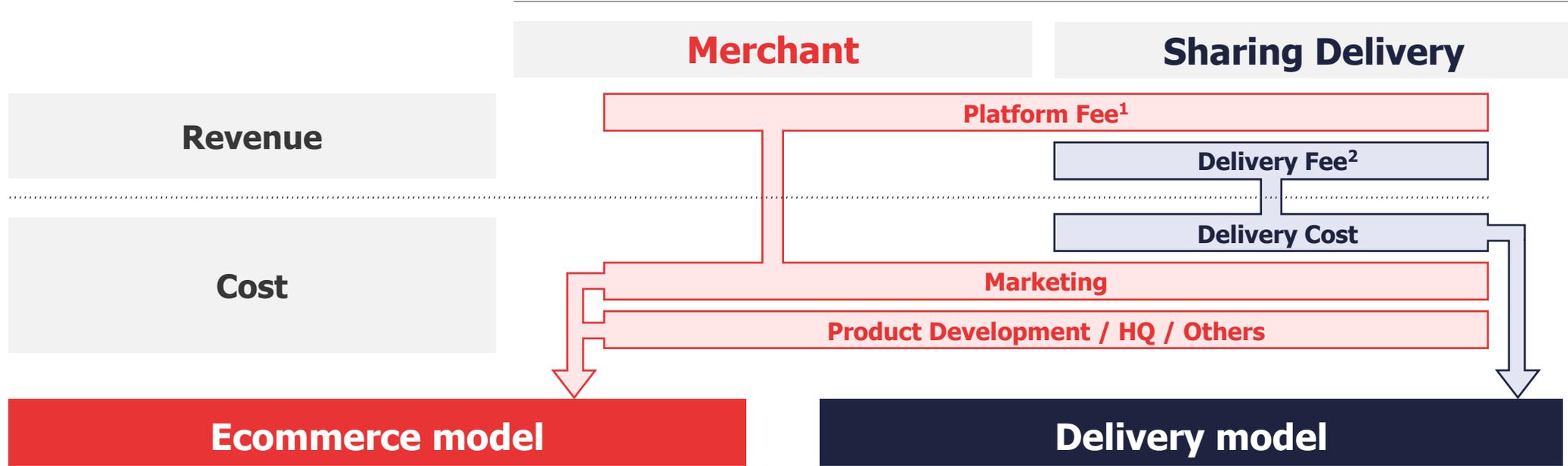
YoY +1,092M (YoY 175%)
 Increase in part-time staff (in-house delivery)

Cost of Sales

YoY +5,298M (YoY 654%)
 Increase in outsourcing fee (outsource delivery)

Demae-can's two business models (Ecommerce and Delivery)

Delivery by



Scale



Leverage = Profit

Growth Engine



Unit Economics = Breakeven

1. Fee paid by merchant per order and advertising cost paid merchants
 2. Sharing delivery fee paid by merchants and delivery fee from users

Demae-can's two business models (Ecommerce and Delivery)

Delivery by

Total GMV:
162.7B JPY (YoY 158%)

Merchant	Sharing Delivery
GMV 111.6B JPY (YoY 121%)	GMV 51.2B JPY (YoY 442%)

Merchant Take Rate

Merchant Take Rate & User Fee

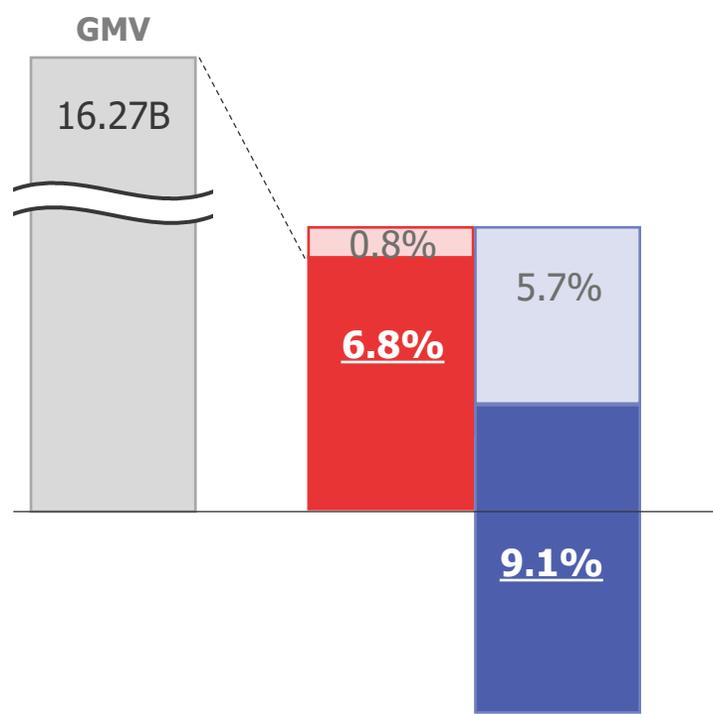
Ecommerce model				
(B)	1Q	2Q	3Q	4Q
Platform fee	2.0	2.6	2.9	3.4
Other Revenue	0.2	0.3	0.3	0.3
Marketing	2.6	3.6	3.4	5.0
Other cost	1.7	2.3	2.8	2.3
OP	(2.0)	(2.9)	(3.0)	(3.6)

Delivery model				
(B)	1Q	2Q	3Q	4Q
Delivery fee	1.6	3.0	4.6	6.7
In-house rider cost	1.4	1.9	2.0	1.9
Outsource rider cost	0.9	2.8	3.4	5.9
Other cost	0.3	0.5	0.5	0.5
OP	(1.1)	(2.2)	(1.4)	(1.8)

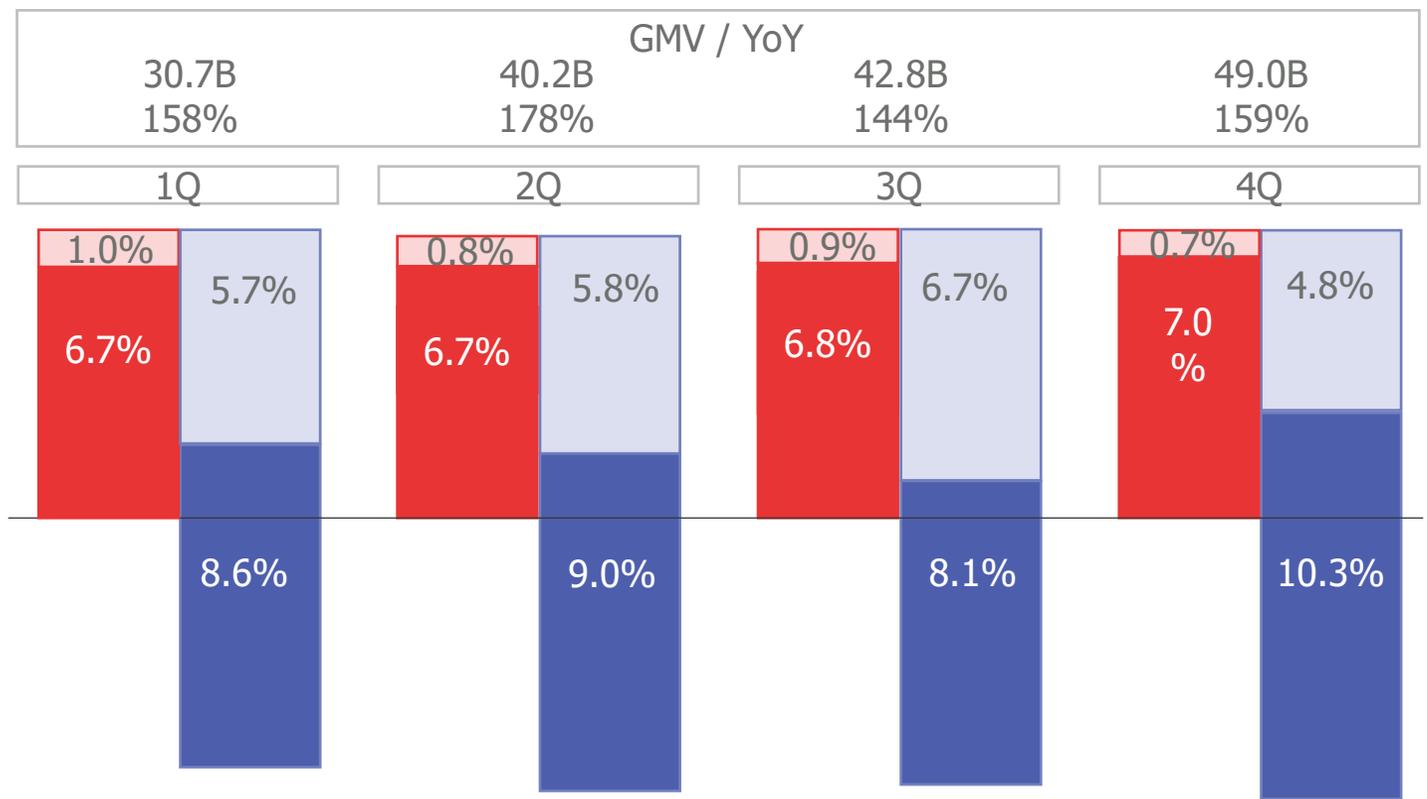
E-commerce model: P/L overview % shows percentage of GMV

- ✓ Take-rate increased from 6.7% to 7.0%
- ✓ Aggressive marketing spend during seasonally strong period. Annual marketing cost at 9.1% of GMV

Annually FY 8/2021



Quarterly FY 8/2021



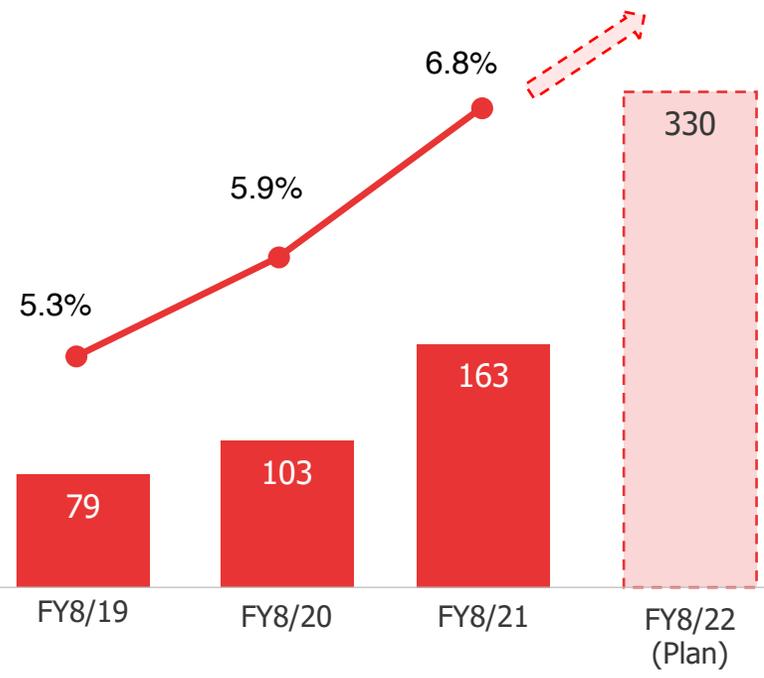
■ Platform fee
 ■ Other Revenue
 ■ Marketing cost
 ■ Other cost

E-commerce Model: Outlook

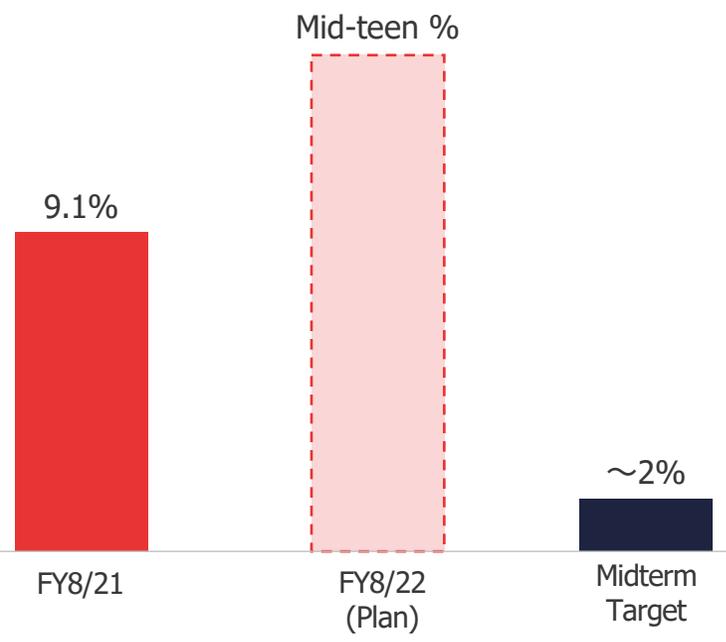
- ✓ Accelerate growth to annual target of GMV 330 billion yen (203% YoY)
- ✓ Aggressive marketing to reach 12 million active users (163% YoY)

GMV & Take-rate

(Billion Yen)



% of marketing cost to GMV



Delivery Unit Economics

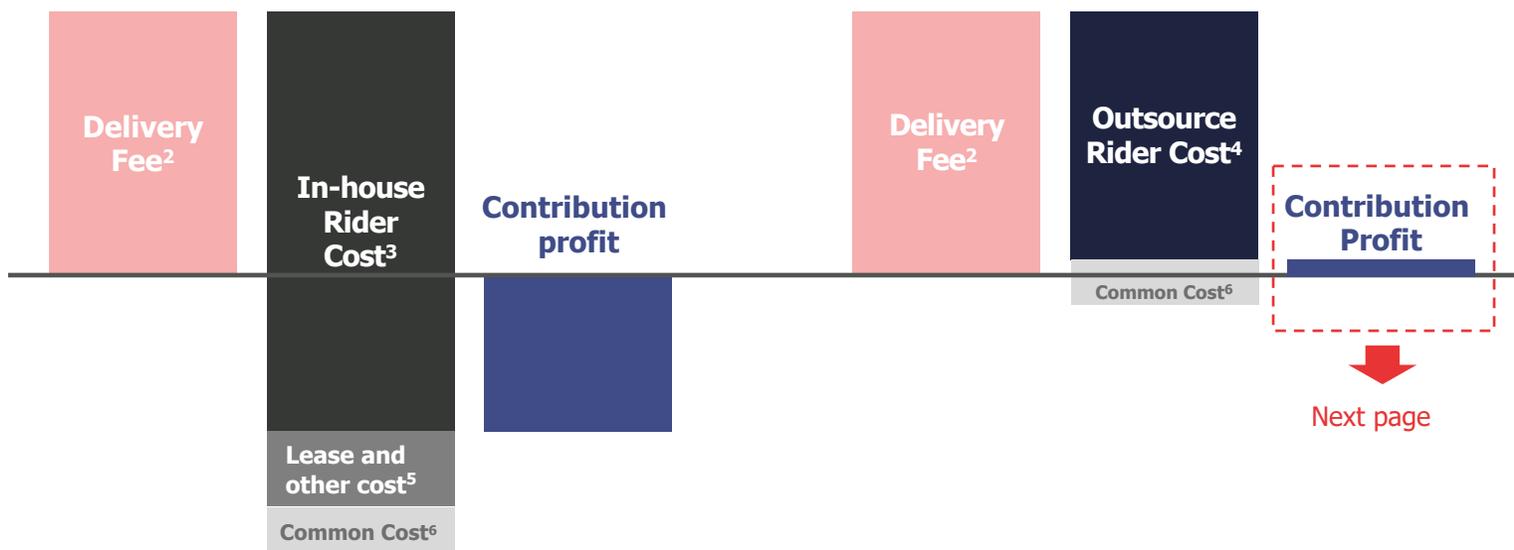
Unit Economics¹ (per delivery, June actual)

Delivery by In-house Rider

Quality Control / Faster TTM / Branding

Delivery by Outsource Rider

Scale / Volume / Cost Effective



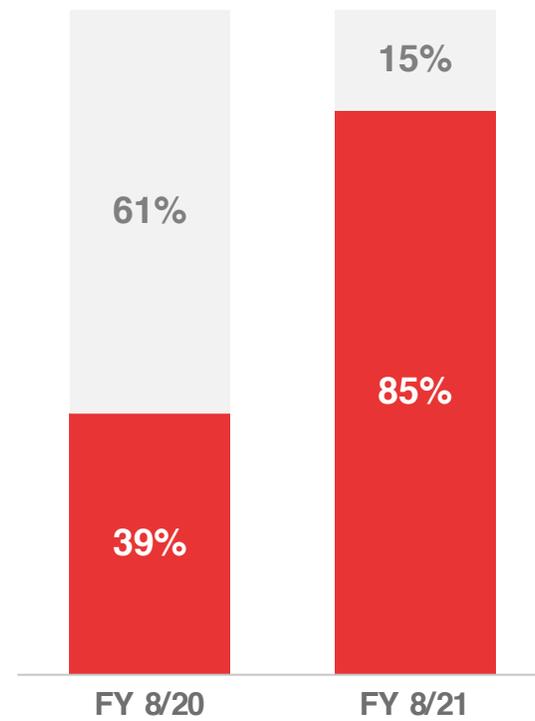
Contribution Profit

Next page

Shifting Orders

% of orders

■ Delivery by in-house rider
■ Delivery by Outsourced rider



% of orders⁷ 18% vs 82%

1. Illustrative model based on actual figures for June 2021
2. Commission from Merchants for Sharing Delivery service and Delivery fee from Users
3. Represents cost paid to In-house Riders, which refers to part-time staff hired by Demae-can, paid by hour
4. Represents cost paid to individual or corporate Contract Riders who deliver on behalf of Demae-can, paid per delivery
5. Includes lease of office and bike/motorcycle, and cost of utilities and consumables
6. Includes recruiting cost, communication expenses, travel cost, transaction fee, and others
7. Based on actual orders during June 2021

Delivery Model: Profitability from Outsource Rider

- ✓ Accelerate growth to annual target of GMV 330 billion yen (203% YoY)
- ✓ Investment to increase the number of delivery staff 3.6x

Contribution margin from outsource rider delivery

	GMV / YoY			
	30.7B	40.2B	42.8B	49.0B
	158%	178%	144%	159%
	1Q	2Q	3Q	4Q



FY8/22
Plan

Continue to invest in riders

- Acquisition of delivery staff (360% YoY) for GMV expansion
- Training of new riders
- Retention of existing riders

Mid-term
target

Breakeven through scale expansion

- Improved delivery efficiency from increased orders and operational efficiency (more deliveries per hour)

FY 8/2022

GMV **330** B_{JPY} YoY 203%

OP **(50-55)** B_{JPY}

Appendix

Summary of Consolidated Income Statement

(Million JPY)	FY 8/2020				FY 8/2021				FY 8/2021 4Q	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Net Sales	1,817	2,011	2,994	3,483	4,228	6,235	8,029	10,514	301.9%	131.0%
Demae-can Service Fee	957	1,081	1,756	1,928	2,007	2,680	2,909	3,368	174.7%	115.8%
Delivery Commission	217	323	761	1,022	1,670	3,066	4,613	6,666	652.3%	144.5%
Other	642	606	476	532	550	489	506	480	90.2%	94.9%
Cost of Sales	689	601	776	956	1,702	3,500	4,352	6,254	654.2%	143.7%
Gross Profit	1,128	1,410	2,217	2,527	2,525	2,735	3,677	4,260	168.6%	115.9%
Gross Margin	62.1%	70.1%	74.1%	72.5%	59.7%	43.9%	45.8%	40.5%	55.9%	88.4%
SG&A	1,338	2,189	2,837	3,541	5,719	7,929	8,197	9,348	264.0%	114.1%
Labor	584	672	1,167	1,448	1,868	2,434	2,606	2,540	175.4%	97.5%
Marketing	475	1,140	1,042	1,258	2,647	3,636	3,507	5,074	403.3%	144.7%
Other	278	375	627	834	1,203	1,858	2,083	1,734	207.9%	83.2%
Operating Profit	(210)	(779)	(619)	(1,014)	(3,194)	(5,193)	(4,519)	(5,088)	-	-

Breakdown of each line item

Revenue	
Demae-can Service Fee	<ul style="list-style-type: none"> Demae-can platform fee
Delivery Commission	<ul style="list-style-type: none"> Sharing delivery fee Delivery fee from user
Other	<ul style="list-style-type: none"> Payment service fee Commerce business revenue from subsidiary

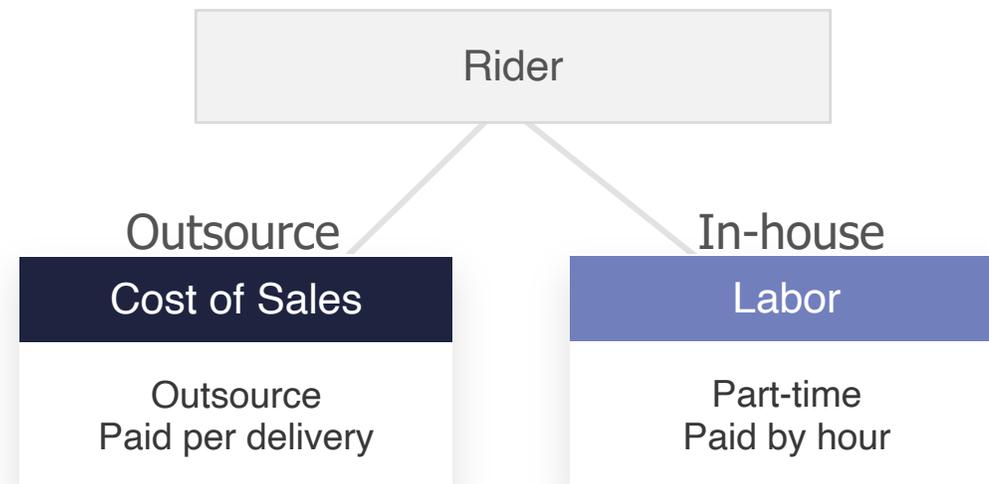
Cost of Sales/SG&A	
Cost of Sales	<ul style="list-style-type: none"> Outsourcing fee (Outsource delivery) System operating costs, etc. Payment service fee
Labor	<ul style="list-style-type: none"> Part-time fee (In-house delivery) Employee, stock option
Marketing	<ul style="list-style-type: none"> Advertisement cost Promotion cost
SG&A	<ul style="list-style-type: none"> Outsourcing fee (merchant acquisition) Lease and supplies Commissions Rent and others

Demae-can Business Model

Revenue model¹

	Fee type	Delivery by merchant	Sharing Delivery (Delivery by Demae-can)
Merchant	Demae-can Service Fee	10% of merchant sales ²	
	Delivery Commission	—	25% of merchant sales
	Payment Service (Other)	A few % of order value	
User	Delivery Commission		Delivery fee

Cost model



1. As of September 2021. Offer price for new merchants
 2. Includes delivery fee paid by user in the case of delivery by merchant

Thank you 

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