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July 15, 2022

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Notice Concerning Revision of Earnings and Dividend Forecasts

Demae-can Co., Ltd. (the "Company"), in light of recent business trends, announces the following revisions to its consolidated earnings and dividend forecasts, which were announced on October 14, 2021.

Detail

1. Forecast of Consolidated Financial Results

(1) Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2022 (September 1, 2021 - August 31, 2022)

| (Million JPY unless otherwise stated) | Sales | Operating Profit | Ordinary Profit | Net income attributable to owners of the parent | Earnings per share (JPY) |
|--|--------|-----------------------|-----------------|---|--------------------------|
| Previous forecast(A) | — | (55,000) ~(50,000) | — | — | — |
| Revised forecast (B) | 47,000 | (37,000) | (37,200) | (36,700) | (288.36) |
| Change(B-A) | — | — | — | — | — |
| Percent of change | — | — | — | — | — |
| (Reference) Results for the previous period (FY Ended August 31, 2021) | 28,954 | (19,157) | (19,148) | (21,869) | (265.99) |

(2) Reason for revision

The business environment surrounding the delivery market is characterized by rapid changes, which may have a significant impact on the Company's financial results. With this in mind, the Company had expected that the GMV would be 330 billion yen and operating profit would be in the range from negative 50 billion yen to negative 55 billion yen, based on the assumptions at that time, for the fiscal year ending August 31, 2022.

After the nationwide priority measures to prevent the spread of COVID-19 was fully lifted on March 21, 2022, people are more inclined to go out and eat out, resulting in a significant increase in flow of people. With the demand for dining out recovering, business sentiment for restaurant industry is becoming optimistic, while the growth of the food delivery market appears to be slowing down.

Accordingly, the GMV forecast was revised from 330 billion yen to 220 billion yen, and operating

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loss is expected to decrease as a result of adjusting marketing and other promotional expenses.

*GMV refers to Gross Merchandise Value, which amounted to 162.7 billion yen in the fiscal year ended August 31, 2021.

2. Dividend Forecast

(1) Dividend Forecast for Fiscal Year Ending August 31, 2022

| (JPY) | Annual dividend | | |
|--|-----------------|-----------------|-------|
| | End of Q2 | Fiscal year-end | Total |
| Previous forecast announced (Announced Oct. 14, 2021) | – | – | – |
| Updated forecast | – | 0.00 | 0.00 |
| Results for the current fiscal year | 0.00 | | |
| (Reference) Results for the previous period (FY Ended August 31, 2021) | 0.00 | 0.00 | 0.00 |

(2) Reason for Dividend Forecast

The Company's basic policy is to increase corporate value by strengthening the management base and improving management efficiency through aggressive business development, and to return profits to shareholders in a continuous and stable manner, while actively investing in the future. Its dividend policy is to aim for a dividend payout ratio of 30%, while at the same time aiming for stable and continuous dividend payments.

However, it is with regret to inform you that the Company will not be paying a dividend for the current fiscal year, as we recorded a net loss for the period.

We sincerely apologize to our shareholders and ask for their continued support as we strive to resume dividend payments as soon as possible.

(Note: The above earnings and dividend forecasts are based on information available as of the date of release of this document.)